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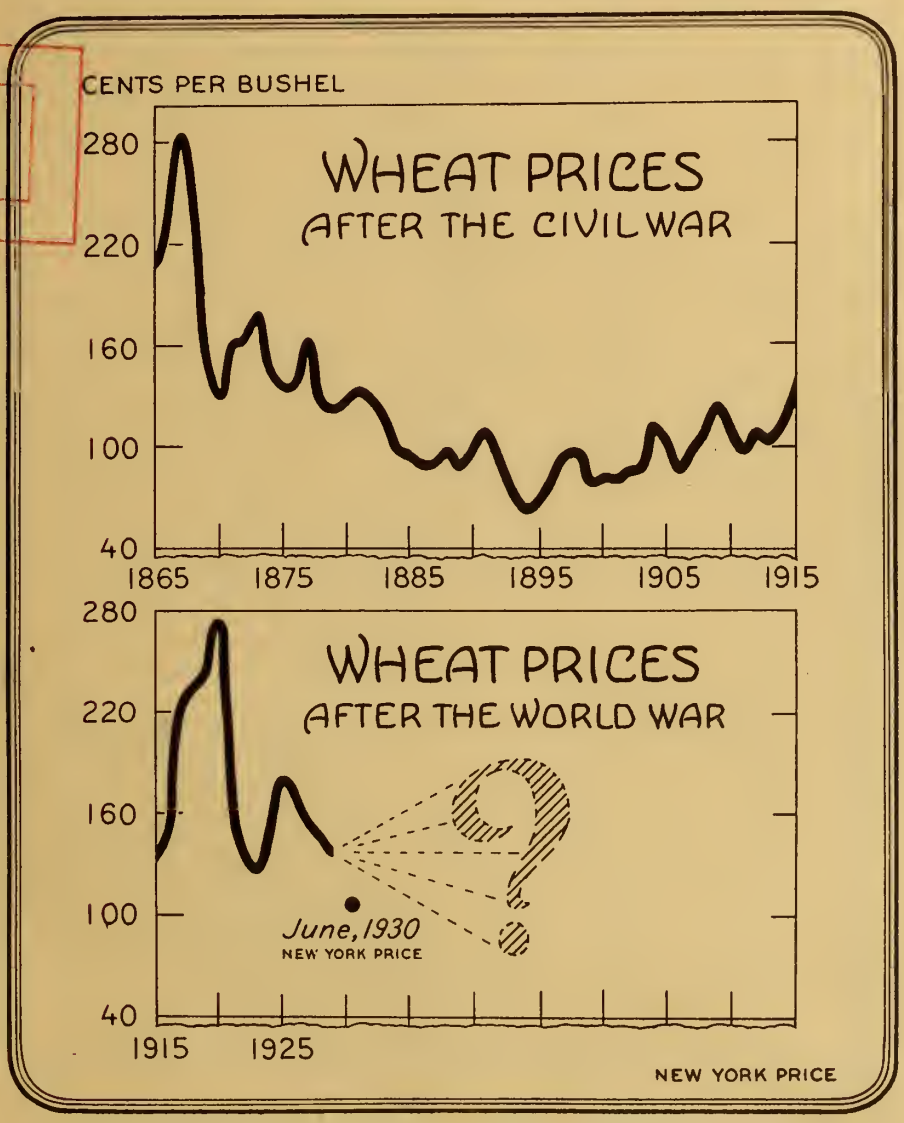
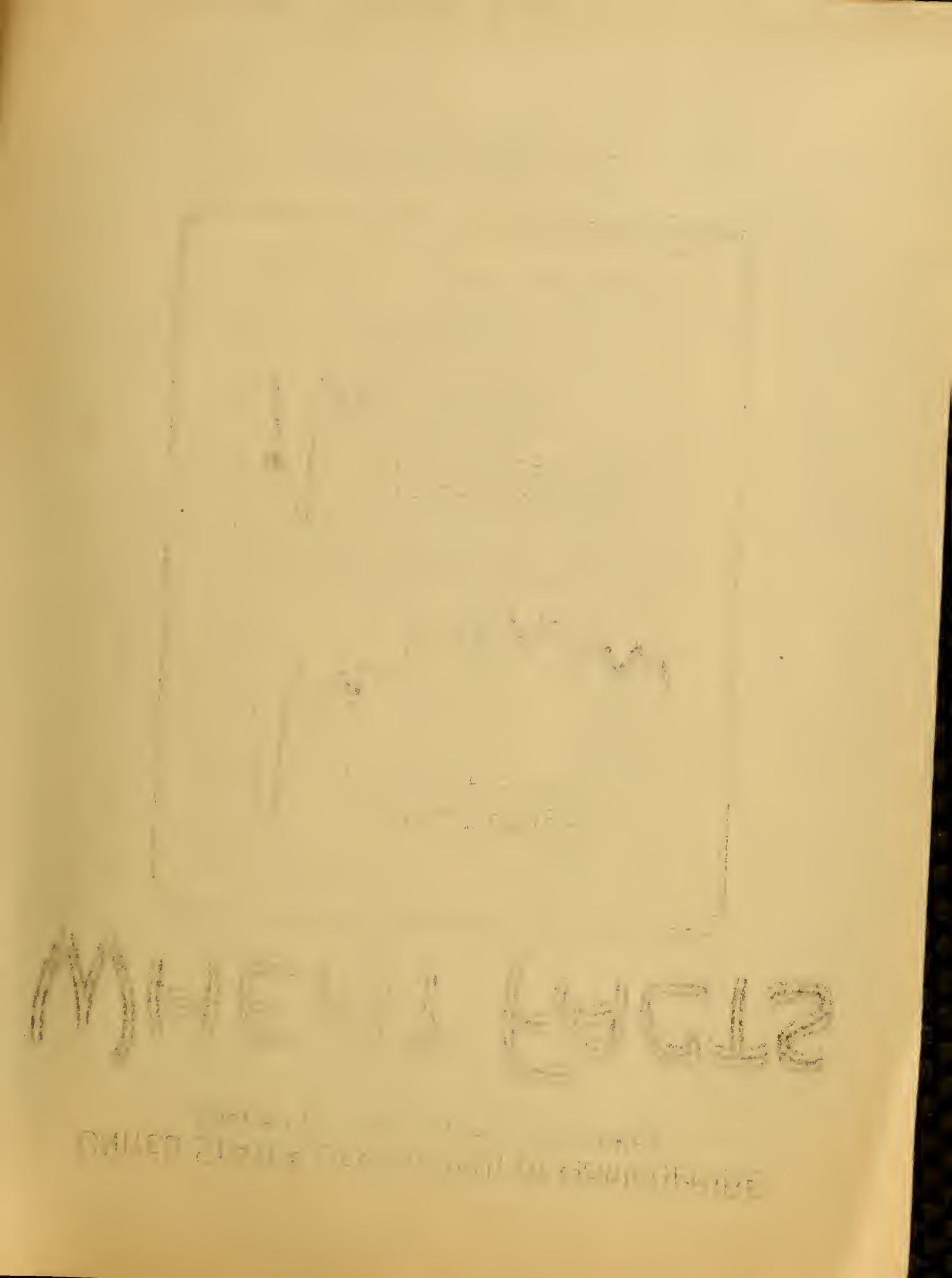
WHEAT FACTS



WASHINGTON, D. C.
JULY, 1930

PART II - SUPPLEMENTARY CHARTS



Average Annual Price of American Wheat, Chicago, New York, and Liverpool, 1840-1929

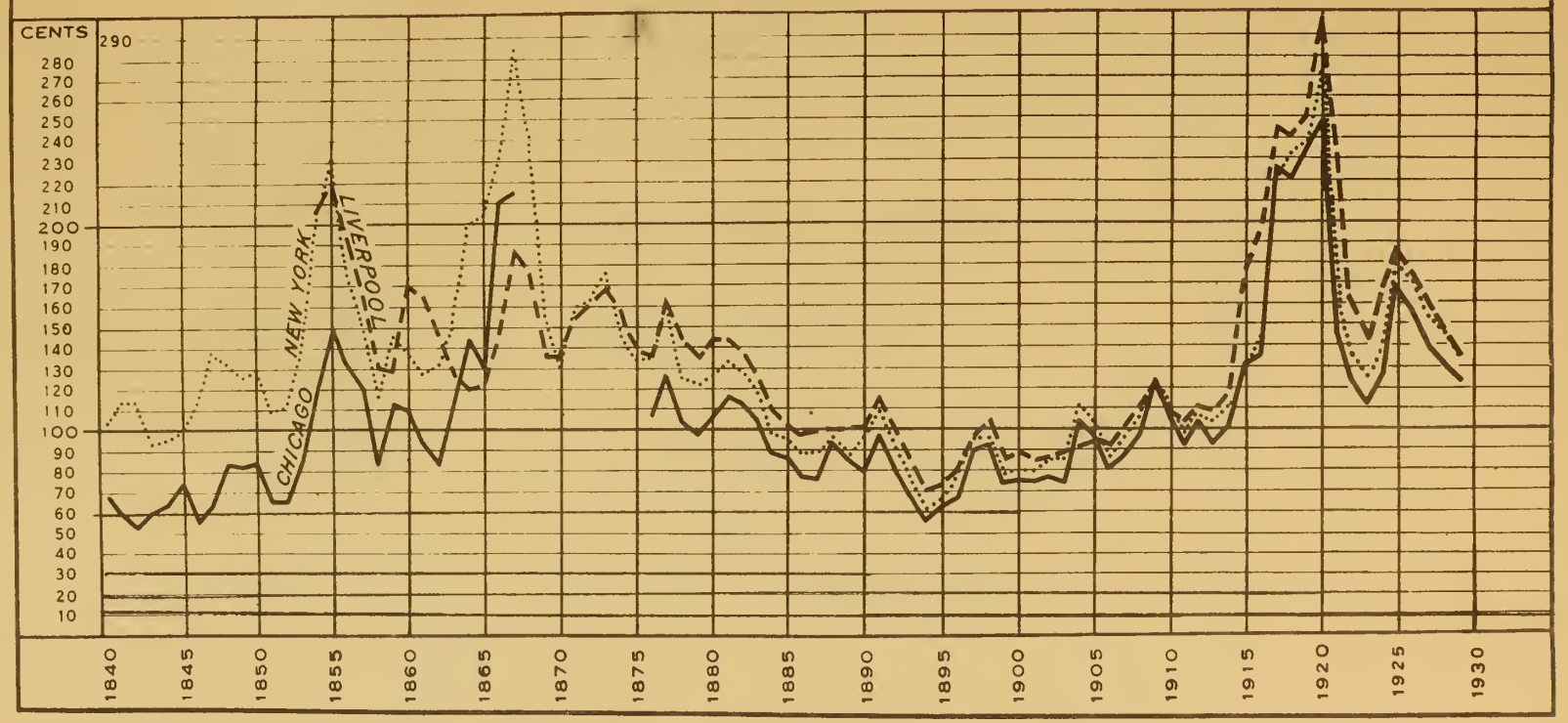


FIGURE 1 - IN THE PAST TEN YEARS THE COURSE OF WHEAT PRICES HAS BEEN DOWNWARD AS IT WAS FOLLOWING THE CIVIL WAR. IN BOTH CASES THE DECLINE IN WHEAT PRICES WAS ASSOCIATED WITH A DECLINE IN THE GENERAL PRICE LEVEL, A DEFLATION FROM THE WAR-TIME PRICES. IN RECENT YEARS THE COMBINE AND THE TRACTOR HAVE BECOME IMPORTANT FACTORS IN EXPANDING WHEAT PRODUCTION, NOT ONLY IN THE UNITED STATES BUT IN OTHER PARTS OF THE WORLD, AS THE REAPER AND BINDER CONTRIBUTED TO EXPANSION AND PRODUCTION AFTER THE CIVIL WAR. THE DEVELOPMENT OF NEW WHEAT-GROWING AREAS IN CANADA. ARGENTINA. AUSTRALIA AND THE GREAT PLAINS OF THE UNITED STATES CORRESPONDS TO THE HOMESTEAD EXPANSION IN THE NORTH CENTRAL STATES AFTER THE CIVIL WAR

WHEAT
Prices Received by Producers and Wholesale Prices for All Commodities, July, 1920 to Date

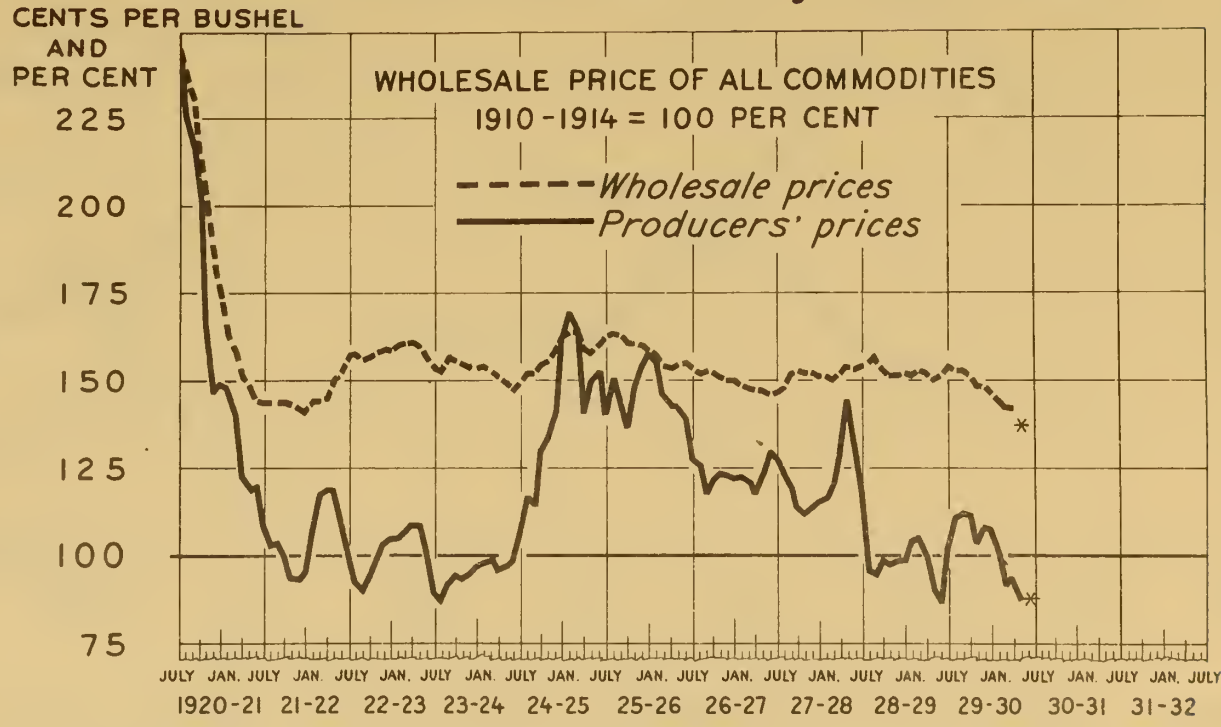


FIGURE 2 - IN THE PAST TEN MONTHS WHEAT PRICES HAVE FALLEN FASTER THAN THE GENERAL PRICE LEVEL AS THEY DID IN THE DEPRESSION OF 1920. ANY MARKED DECLINE IN THE GENERAL PRICE LEVEL IS LIKELY TO BE ACCOMPANIED BY A DECLINE IN WHEAT PRICES UNLESS THE SUPPLY OF WHEAT BECOMES QUITE SHORT IN THE FACE OF A GENERAL PRICE DEPRESSION. IN 1924 A SHORT WORLD CROP FOLLOWED BY A SHORT CROP IN THE UNITED STATES IN 1925 RESULTED IN TWO SEASONS OF RELATIVELY HIGH PRICES FOR WHEAT, BUT THESE TWO SEASONS HAVE BEEN FOLLOWED BY SUCCESSIVELY LARGER WORLD CROPS AND INCREASING CARRY-OVERS UNTIL 1929. LARGE WHEAT STOCKS AND THE DECLINE IN THE GENERAL PRICE LEVEL MORE THAN OFFSET THE INFLUENCE OF THE WORLD CROP REDUCTION IN 1929

Wheat: World Supplies and Price

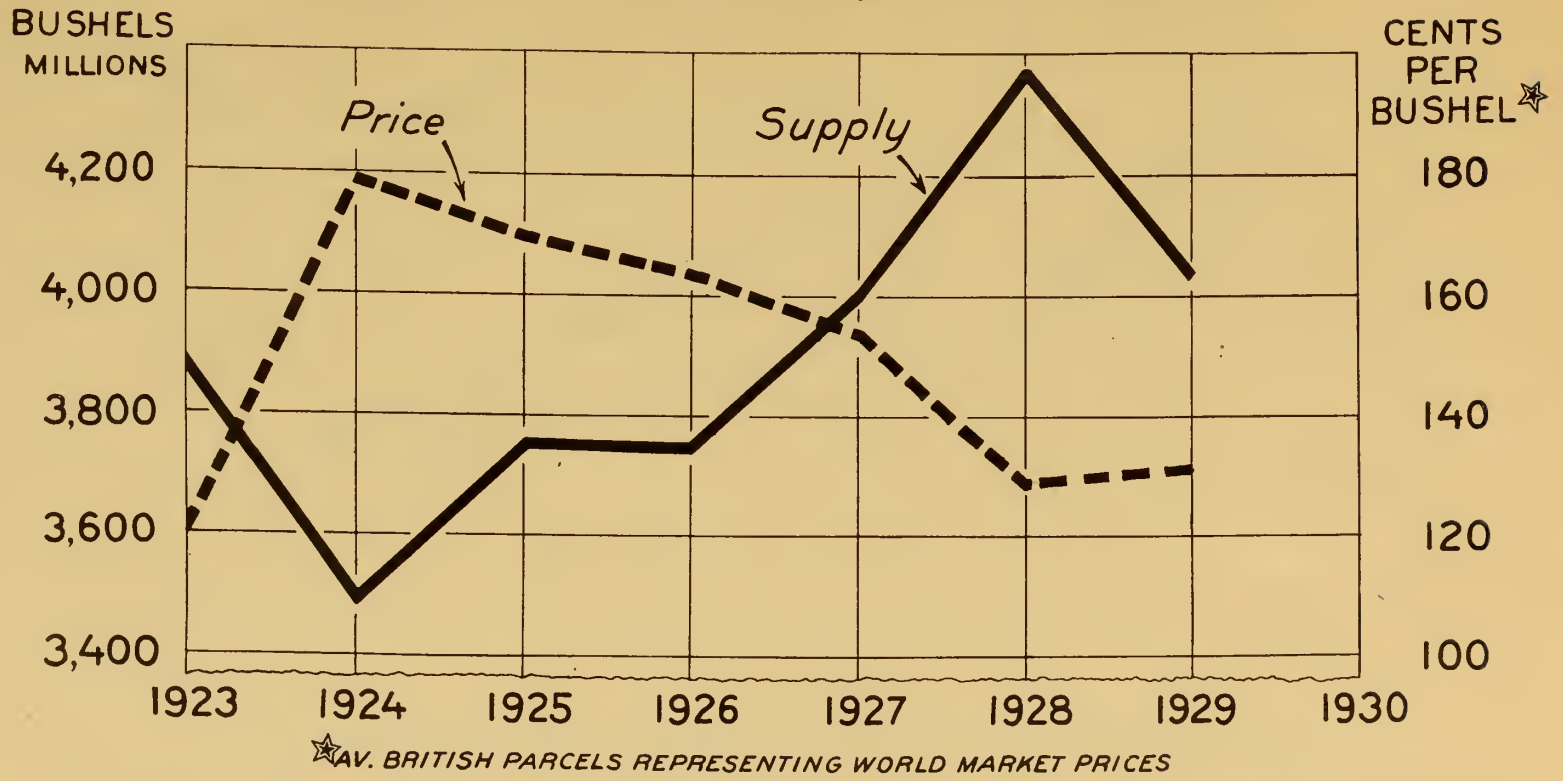


FIGURE 3 - WORLD SUPPLIES LARGELY DETERMINE THE PRICE OF WHEAT IN WORLD MARKETS WHEN THE GENERAL PRICE LEVEL REMAINS ABOUT THE SAME. THE LARGE SUPPLY IN 1925 BROUGHT LOW PRICES. THE SMALL WORLD CROP IN 1924 RESULTED IN MUCH HIGHER PRICES. AFTER 1924, SUPPLIES INCREASED, REACHING THE PEAK IN 1928 AND AGAIN PRICES MOVED DOWNWARD TO A LOW LEVEL. OWING TO THE DEPRESSION AND FALLING GENERAL PRICE LEVEL, THE SHORTER CROP OF 1929 SOLD AT BUT SLIGHTLY HIGHER PRICES THAN THE CROP OF THE PREVIOUS YEAR

Wheat: World Production Excluding China and World Excluding Russia and China, 1890 to Date

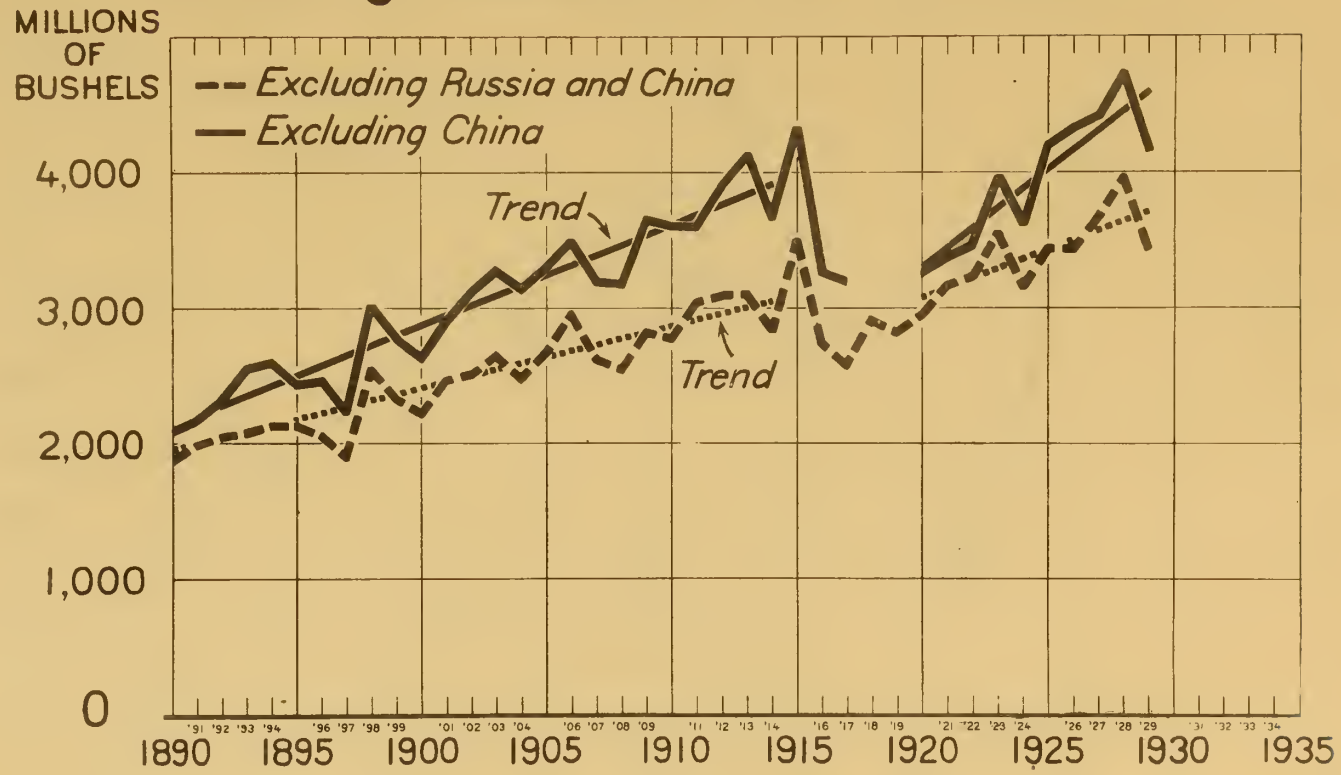


FIGURE 4 - THIRTY YEARS AGO A CERTAIN SCIENTIST PREDICTED THAT THE WORLD WOULD BE SHORT OF WHEAT IN 1931, BUT PRODUCTION HAS INCREASED NEARLY 60 PER CENT IN THESE 30 YEARS. FROM 1890 TO 1914 THE AVERAGE INCREASE IN WORLD PRODUCTION, EXCLUDING CHINA, WAS 74,000,000 BUSHELS YEARLY. EXCLUDING BOTH RUSSIA AND CHINA THE AVERAGE INCREASE FROM 1890 TO 1914 WAS 48,000,000 ANNUALLY AND FROM 1920 TO 1929 72,000,000 BUSHELS PER YEAR. THE INCREASE DURING THE EARLY PART OF THE PAST 10 YEARS WAS LARGELY DUE TO RECOVERY OF PRODUCTION IN EUROPE INCIDENT TO THE POST-WAR RECONSTRUCTION, BUT IN THE PAST FIVE YEARS IT HAS BEEN LARGELY DUE TO RAPID INCREASES IN THE PRODUCTION OF EXPORTING COUNTRIES

Wheat, Including Flour in Terms of Wheat: Russian Production and Exports, 1890 to Date

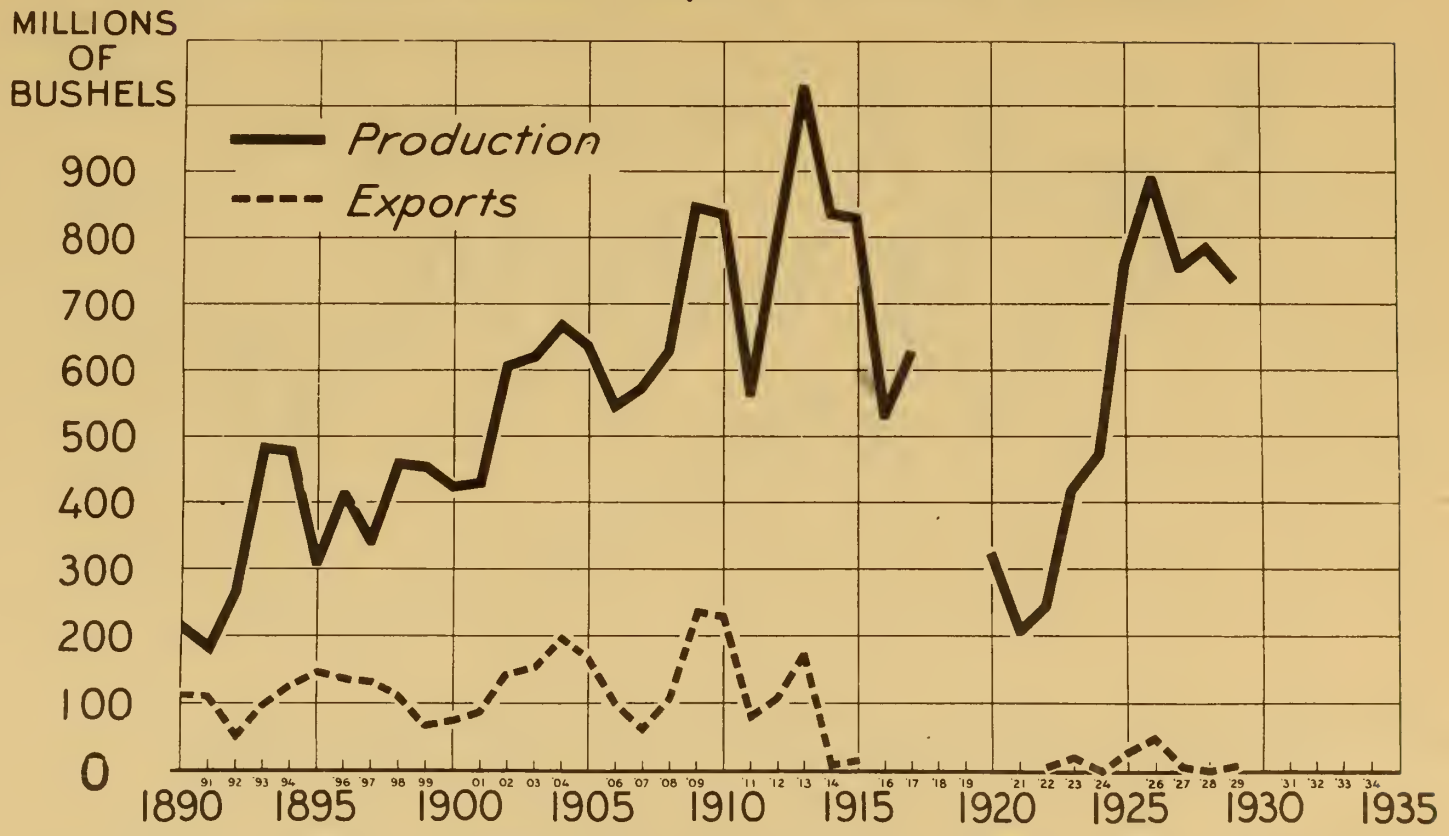


FIGURE 5 - BEFORE THE WORLD WAR RUSSIA WAS NOT ONLY ONE OF THE LARGEST WHEAT PRODUCERS IN THE WORLD BUT WAS OFTEN THE LARGEST EXPORTER. THE FIVE YEARS PRECEDING THE WAR RUSSIAN NET EXPORTS AVERAGED 164,000,000 BUSHELS COMPARED WITH 105,000,000 EXPORTED FROM THE UNITED STATES. IF THE RUSSIAN PRE-WAR AND POST-WAR STATISTICS ARE COMPARABLE, PRODUCTION HAS RECOVERED TO ABOUT THE PRE-WAR LEVEL, BUT HER POPULATION HAS INCREASED AND THE RUSSIAN PEASANTS ARE EATING THEIR WHEAT. THE RUSSIAN GOVERNMENT, HOWEVER, IS MAKING ESPECIAL EFFORTS TO PRODUCE MORE WHEAT FOR EXPORT

Wheat: Production in the United States, and in Canada, Argentina, and Australia Combined, 1890 to Date

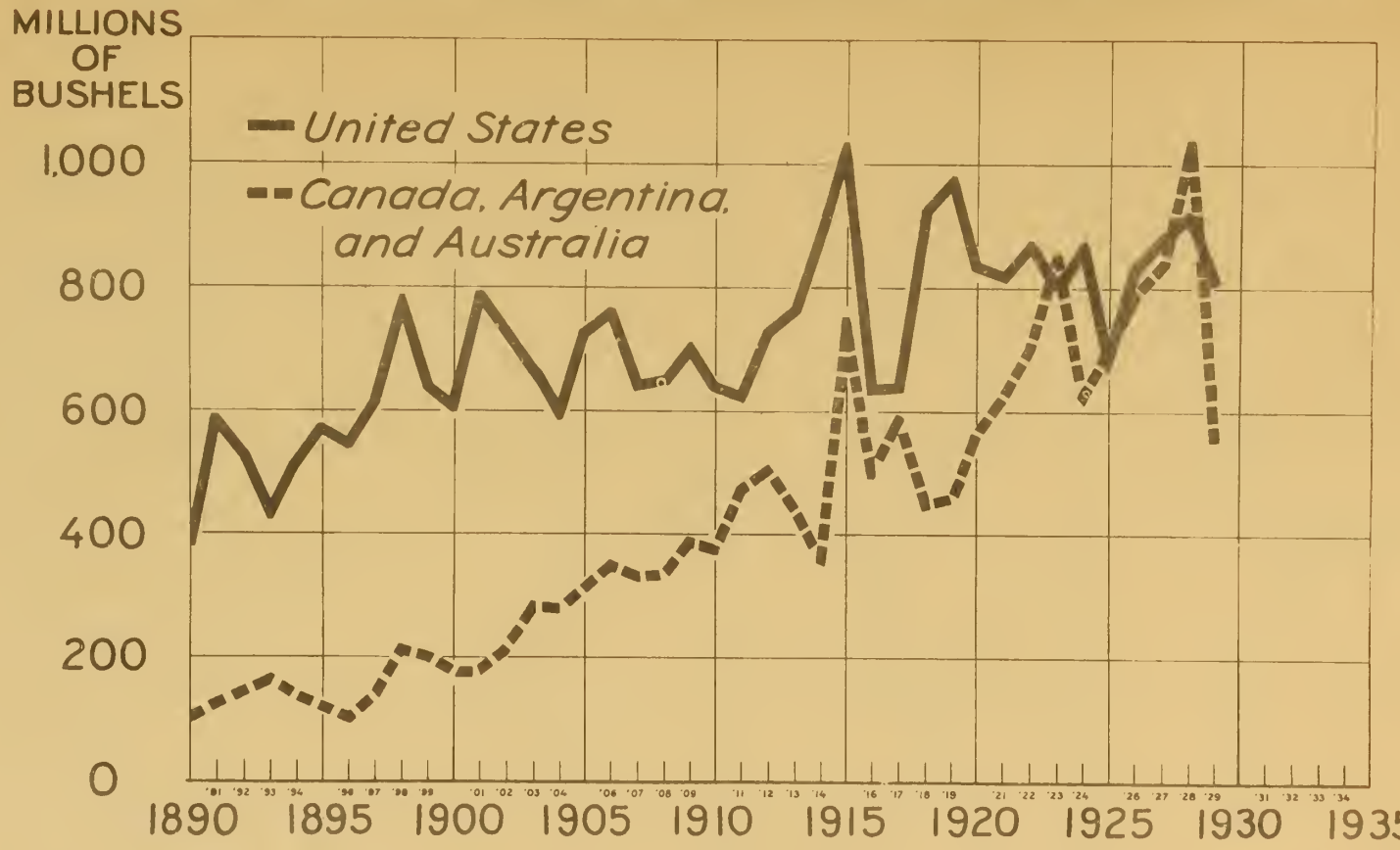


FIGURE 6 - FOR THE PAST FORTY YEARS WHEAT PRODUCTION IN ARGENTINA, CANADA, AND AUSTRALIA HAS INCREASED MUCH MORE RAPIDLY THAN PRODUCTION IN THE UNITED STATES. IN THE FIVE YEARS 1890 TO 1894 THESE COUNTRIES TOGETHER PRODUCED LESS THAN ONE-THIRD AS MUCH AS THE UNITED STATES, WHILE IN THE FIVE YEARS 1925 TO 1929 THEIR CROP AMOUNTED TO 95 PER CENT OF THAT OF THE UNITED STATES. IN THE PAST FIVE YEARS THE EXPORTS FROM THESE COUNTRIES (CANADA, ARGENTINA, AND AUSTRALIA) HAVE AVERAGED 557 MILLION BUSHELS, WHILE THE AVERAGE EXPORTS FROM THE UNITED STATES WERE ONLY 192 MILLION BUSHELS

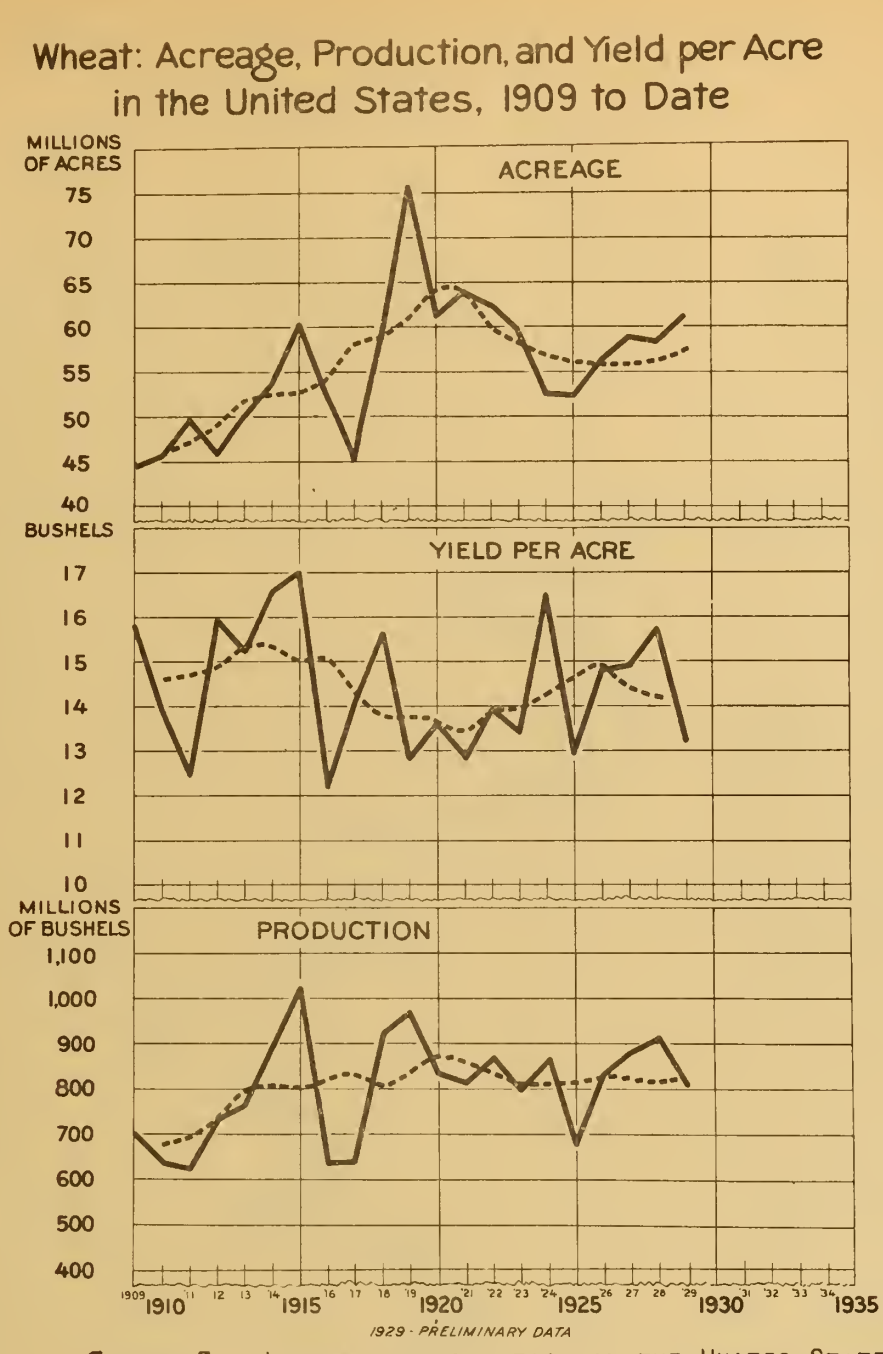


FIGURE 7 - INCREASED PRODUCTION IN THE UNITED STATES HAS BEEN DUE NOT ONLY TO EXPANSION OF ACREAGE BUT ALSO TO HIGHER YIELDS. THE SELECTION AND ADAPTATION OF VARIETIES TO CLIMATIC CONDITIONS AND IMPROVEMENT IN CULTIVATION HAVE RESULTED IN AN UPWARD TREND IN YIELDS. THE AVERAGE AREA HARVESTED IN THE PAST FIVE YEARS IS 22 PER CENT GREATER THAN THE AREA HARVESTED IN THE PERIOD 1895-1899. THE INCREASE OF THE PAST FEW YEARS HAS BEEN PRINCIPALLY IN THE NEWER REGIONS WHERE ACREAGE DID NOT DECLINE FOLLOWING THE WAR. THE YEAR-TO-YEAR VARIATIONS IN PRODUCTION ARE LARGELY DUE TO DIFFERENCES IN YIELD AND IN THE ACREAGE ABANDONED, BUT THE GENERAL TREND IN PRODUCTION IS MOSTLY DEPENDENT UPON ACREAGE

States East of the Mississippi River: Wheat Acreage (Winter Wheat Seeded Preceding Fall and Spring Wheat) 1909 to Date

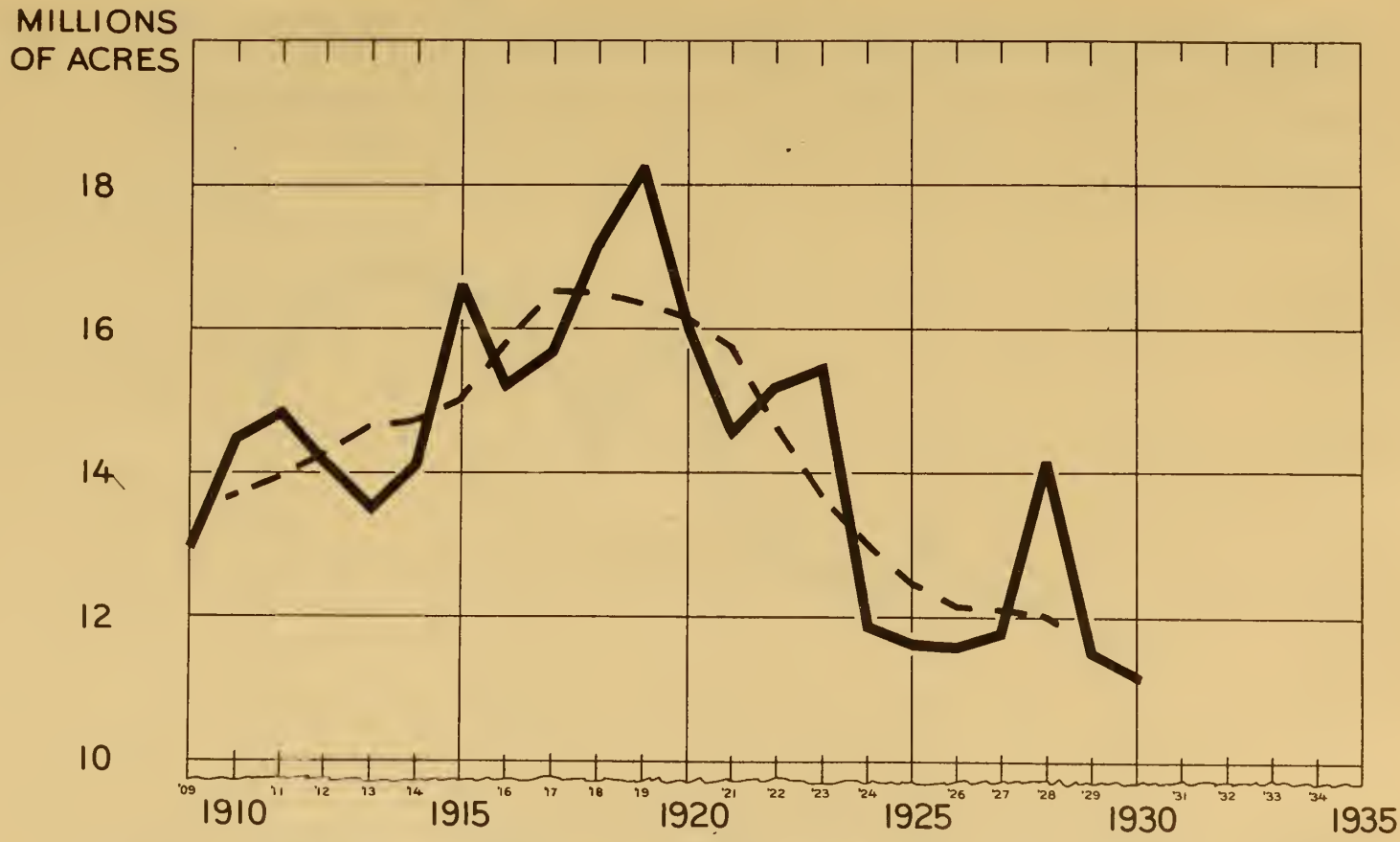


FIGURE 8 - THE WHEAT ACREAGE EAST OF THE MISSISSIPPI HAS BEEN REDUCED RAPIDLY SINCE THE WAR. FROM THE HIGH POINT OF 18,000,000 ACRES IN 1919 THE AREA HAS BEEN REDUCED TO ABOUT 11,000,000 WHICH IS EVEN LOWER THAN THE PRE-WAR ACREAGE. CONDITIONS GENERALLY SEEM FAVORABLE FOR CONTINUING A REDUCTION IN ACREAGE EAST OF THE MISSISSIPPI, BUT IT IS HARDLY LIKELY THAT REDUCTION FROM THE PRESENT LEVEL WILL PROCEED AS RAPIDLY AS IT DID FROM THE HIGH LEVEL OF 1919 TO THE LEVEL OF 1925

Minnesota: Wheat Acreage (Winter Wheat Seeded Preceding Fall and Spring Wheat) 1909 to Date

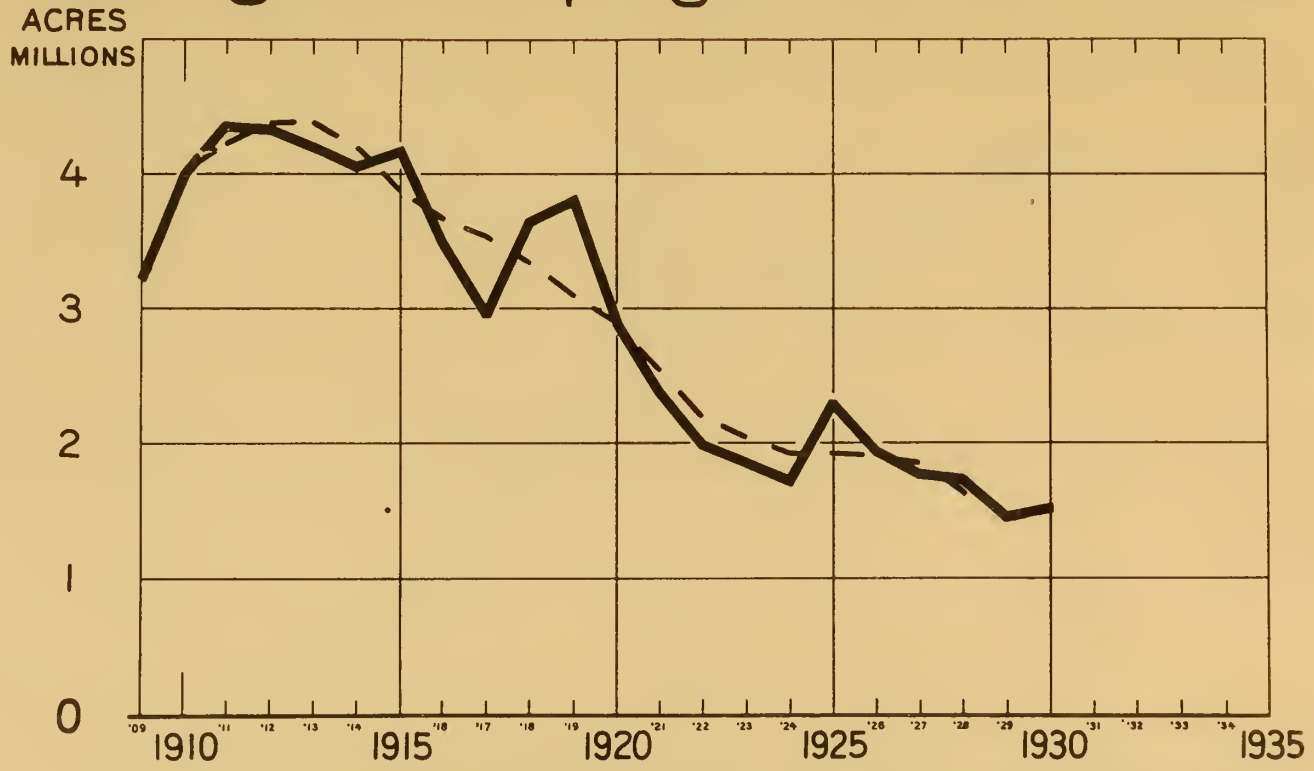


FIGURE 9 - FEED CROPS AND PASTURES FOR DAIRY COWS HAVE BEEN DISPLACING WHEAT ACREAGE IN MINNESOTA. IN FACT, THE RETURN TO WAR-TIME HIGH PRICES PRACTICALLY HAD NO EFFECT UPON THE ACREAGE IN THAT STATE EXCEPT THAT IT MAY HAVE RETARDED THE DECLINE UNTIL AFTER THE WAR. IN THE PAST TEN YEARS THE ACREAGE OF THIS STATE HAS BEEN REDUCED 50 PER CENT. SIMILAR CHANGES HAVE BEEN TAKING PLACE IN THE EASTERN SECTIONS OF THE DAKOTAS, BUT NOT IN THE WESTERN AREAS OF THE DAKOTAS OR MONTANA

Montana: Wheat Acreage (Winter Wheat Seeded Preceding Fall and Spring Wheat) 1909 to Date

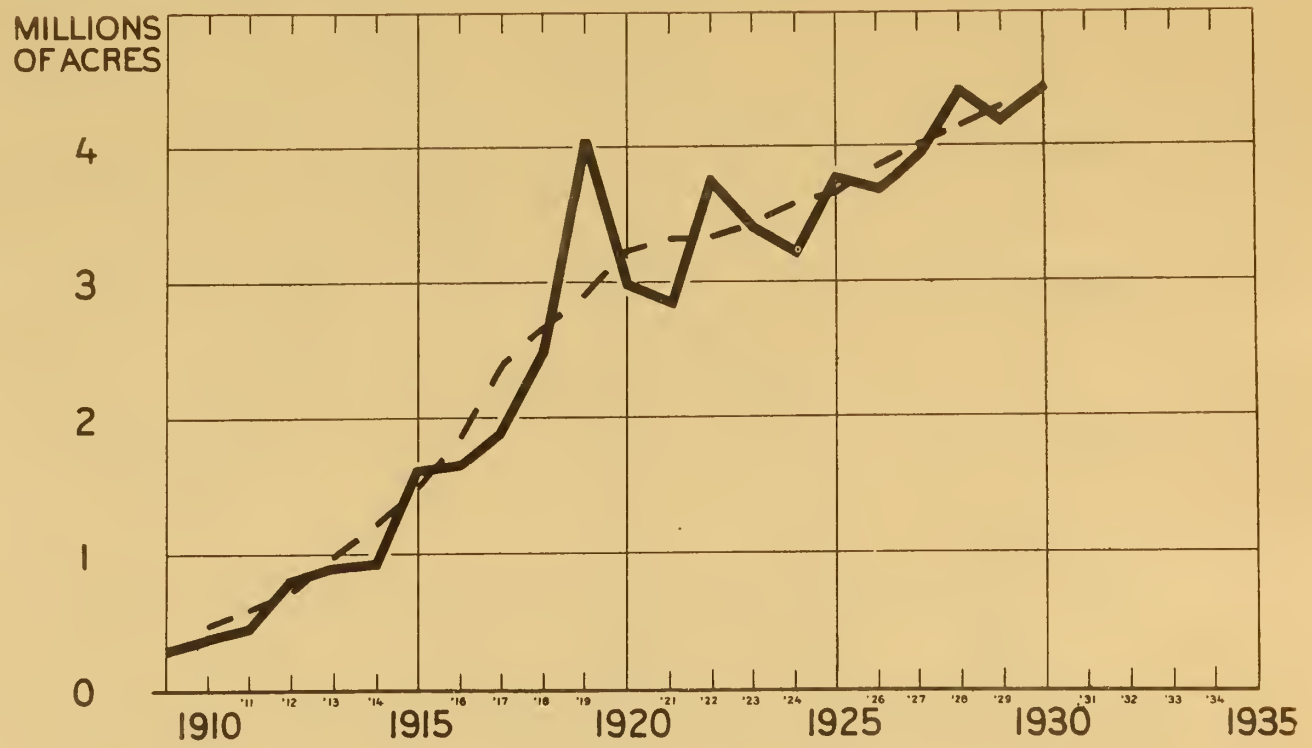


FIGURE 10 - WHEAT ACREAGE IN MONTANA HAS EXPANDED RAPIDLY SINCE 1921. IN RECENT YEARS THAT EXPANSION HAS TAKEN PLACE IN THE FACE OF FALLING PRICES. EXPANSION IN MONTANA IS IN LINE WITH THE EXPANSION THAT HAS TAKEN PLACE IN THE SOUTHWESTERN WINTER WHEAT PRODUCING REGION AND IN THE CANADIAN PROVINCE OF ALBERTA TO THE NORTH. MONTANA PRODUCERS EXPRESSED THIS SPRING INTENTIONS TO REDUCE ACREAGE ABOUT 6 PER CENT

Southwest Winter Wheat States (Nebr., Kans., Colo., Texas and Okla.): Wheat Acreage (Winter Wheat Seeded Preceding Fall and Spring Wheat) and Prices of No. 2 Hard Winter at Kansas City, 1909 to date

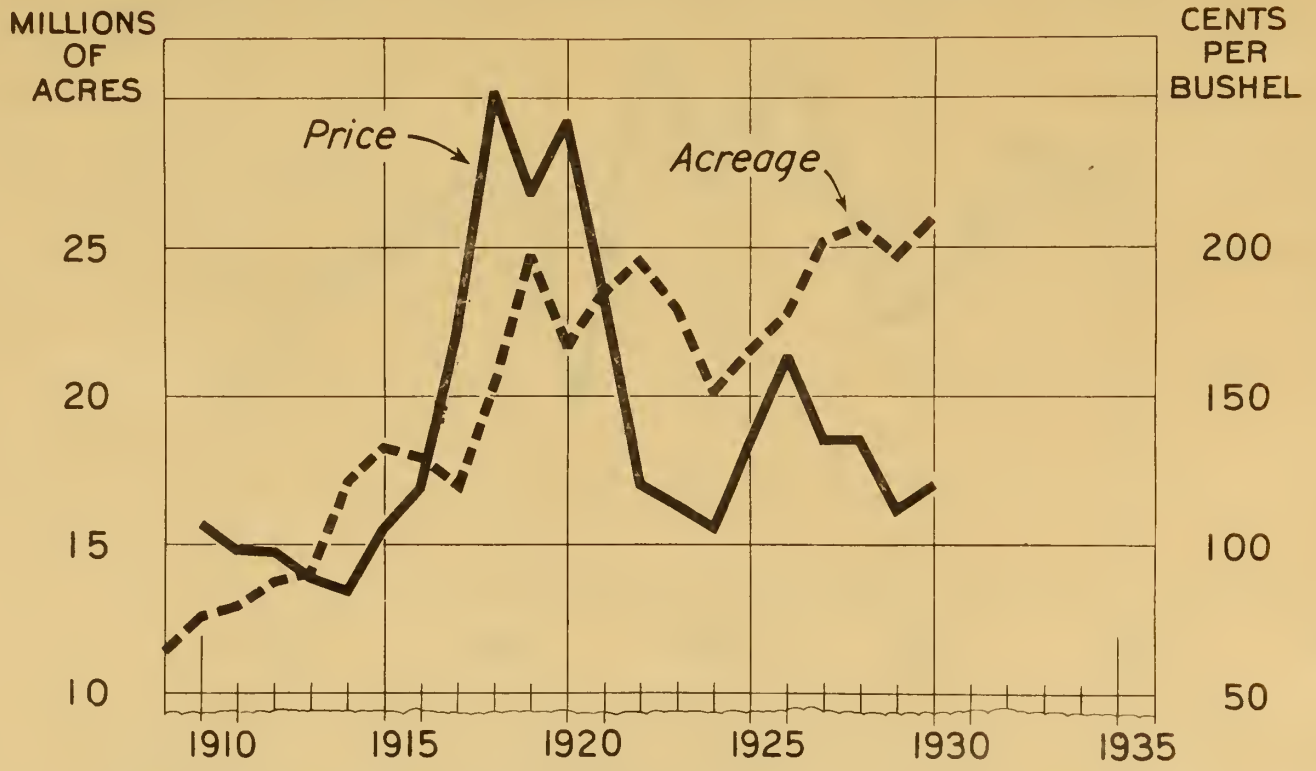


FIGURE 11 - THE SOUTHWESTERN HARD WINTER WHEAT STATES HAVE INCREASED SEEDINGS BY ABOUT 5 MILLION ACRES IN THE PAST SIX YEARS. A LARGE PART OF THIS INCREASE HAS BEEN MADE IN THE FACE OF FALLING PRICES. THE EXPANSION FROM 1910 TO 1919 WAS LARGELY DUE TO RISING PRICES. THE DEPRESSION OF 1920-21 LED TO SOME REDUCTION IN ACREAGE. THE HIGHER PRICES OF 1924-25 STARTED THE EXPANSION AND THE COMBINE AND THE TRACTOR TENDED TO KEEP IT GOING WHILE PRICES FELL

Nebraska: Wheat Acreage (Winter Wheat Seeded Preceding Fall and Spring Wheat) 1909 to Date

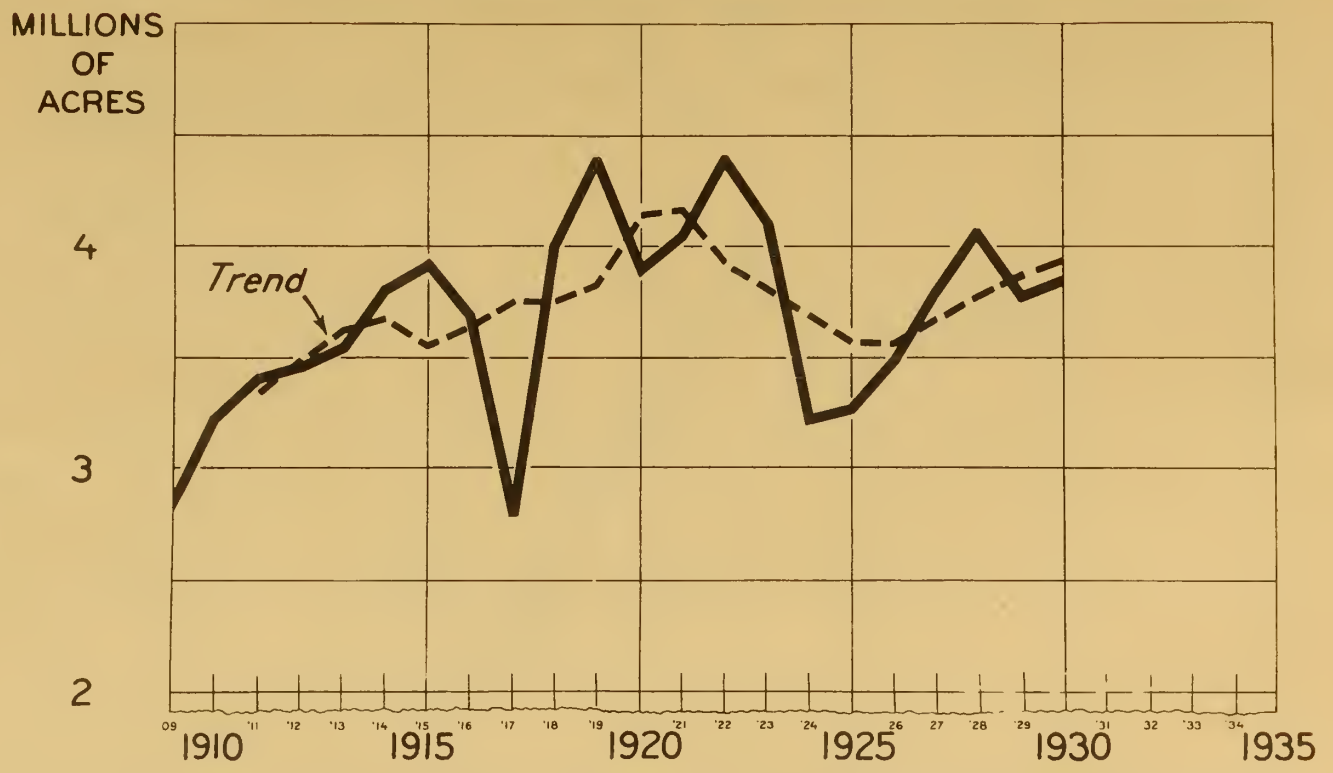


FIGURE 12 - NEBRASKA ACREAGE RESPONSED TO THE 1924-25 PRICES AND MACHINERY KEPT IT GOING. FROM THE LOW POINT OF 1924, ABOUT A MILLION AND A HALF ACRES WERE ADDED IN FOUR YEARS. IS THE LOWER ACREAGE OF THE PAST TWO YEARS AN INDICATION THAT THE UPWARD TREND HAS COME TO AN END? THE INCREASE IN SEEDINGS LAST FALL OVER THOSE OF THE PREVIOUS SEASON INDICATES SOME DOUBT ABOUT IT

Colorado: Wheat Acreage (Winter Wheat Seeded Preceding Fall and Spring Wheat) 1909 to Date

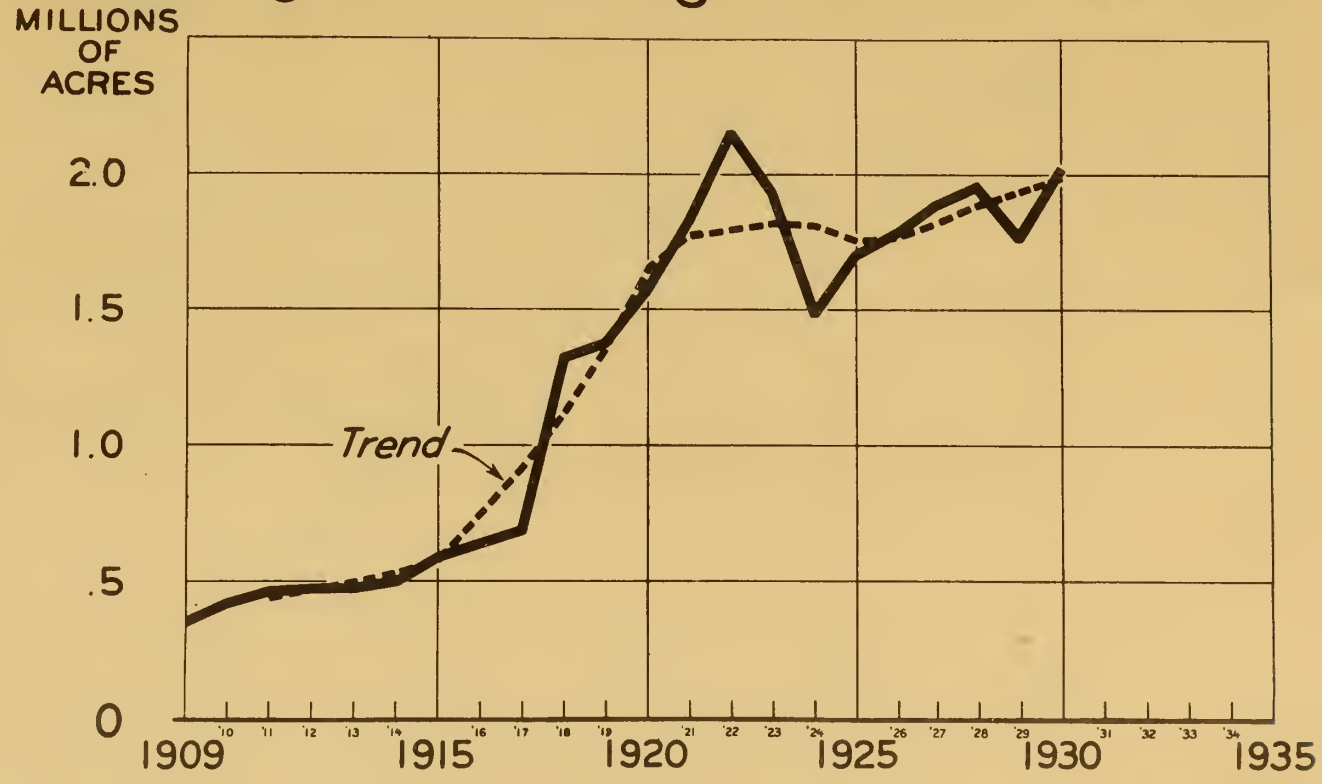


FIGURE 13 - APPARENTLY WAR DEMANDS CONTRIBUTED TO THE MARKED INCREASE IN ACREAGE IN COLORADO. FINDING IT POSSIBLE, THE AREA WAS HELD AT A HIGH LEVEL. HERE WE FIND AN INCREASE IN THE PAST SIX YEARS SIMILAR TO INCREASES IN THE OTHER IMPORTANT HARD WINTER WHEAT PRODUCING STATES. THE INCREASE OF ABOUT HALF A MILLION ACRES IS NOT LARGE IN ITSELF, BUT RELATIVELY IT IS A BIG INCREASE OF ABOUT 33 PER CENT IN SIX YEARS

Kansas: Wheat Acreage (Winter Wheat Seeded Preceding Fall and Spring Wheat) 1909 to Date

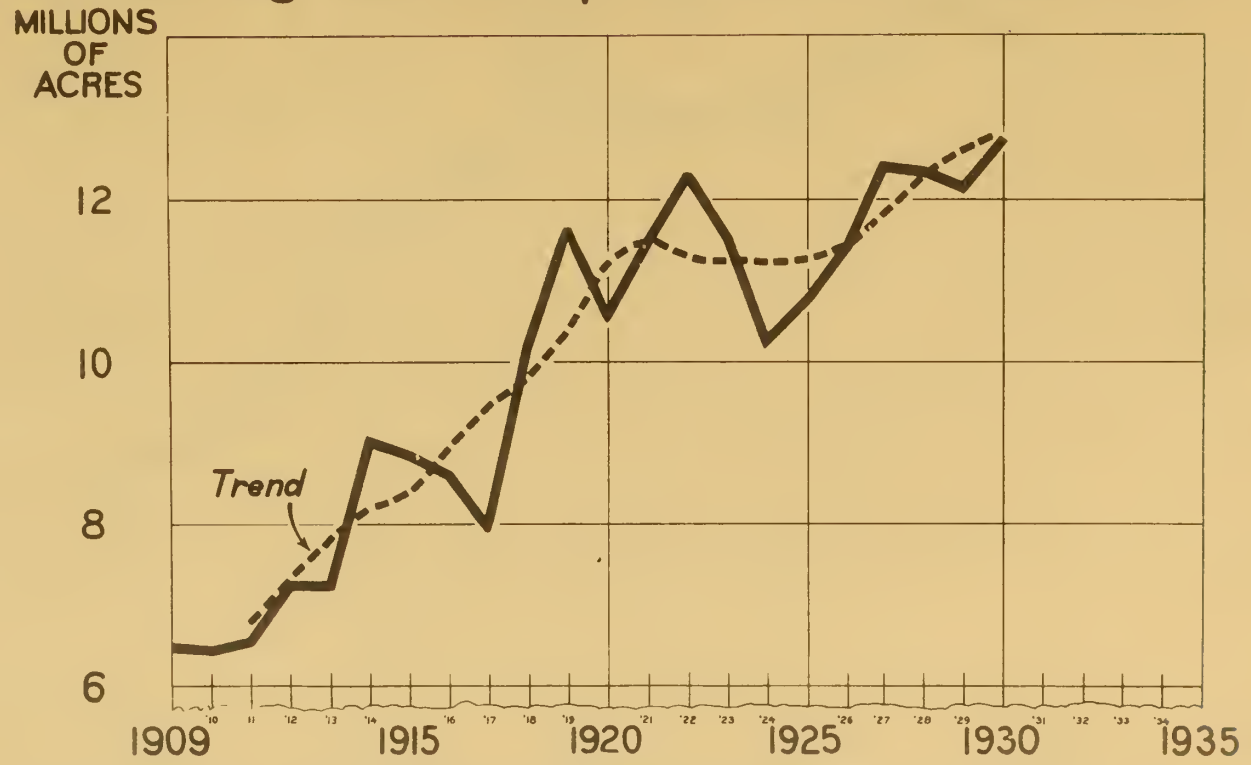


FIGURE 14 - IN KANSAS THERE HAS BEEN AN ALMOST CONTINUOUS UPWARD TREND IN WHEAT ACREAGE SINCE 1911. THE DEPRESSION OF 1920-21 MADE ONLY A SMALL DENT IN THE KANSAS ACREAGE. LOW PRICES IN 1923, TOGETHER WITH UNFAVORABLE PLANTING CONDITIONS, MADE A BIGGER DENT BUT IN RECENT YEARS EXPANSION IN ACREAGE HAS CONTINUED THE PRE-WAR TREND. TO THE REDUCED ACREAGE OF 1924 ABOUT 2-1/2 MILLION ACRES, OR 25 PER CENT, HAVE BEEN ADDED IN SIX YEARS. THIS ADDITION TO THE 1924 ACREAGE IS MORE THAN A THIRD OF THE PRE-WAR AVERAGE AREA

Oklahoma: Winter Wheat Acreage (Seeded Preceding Fall) 1909 to Date

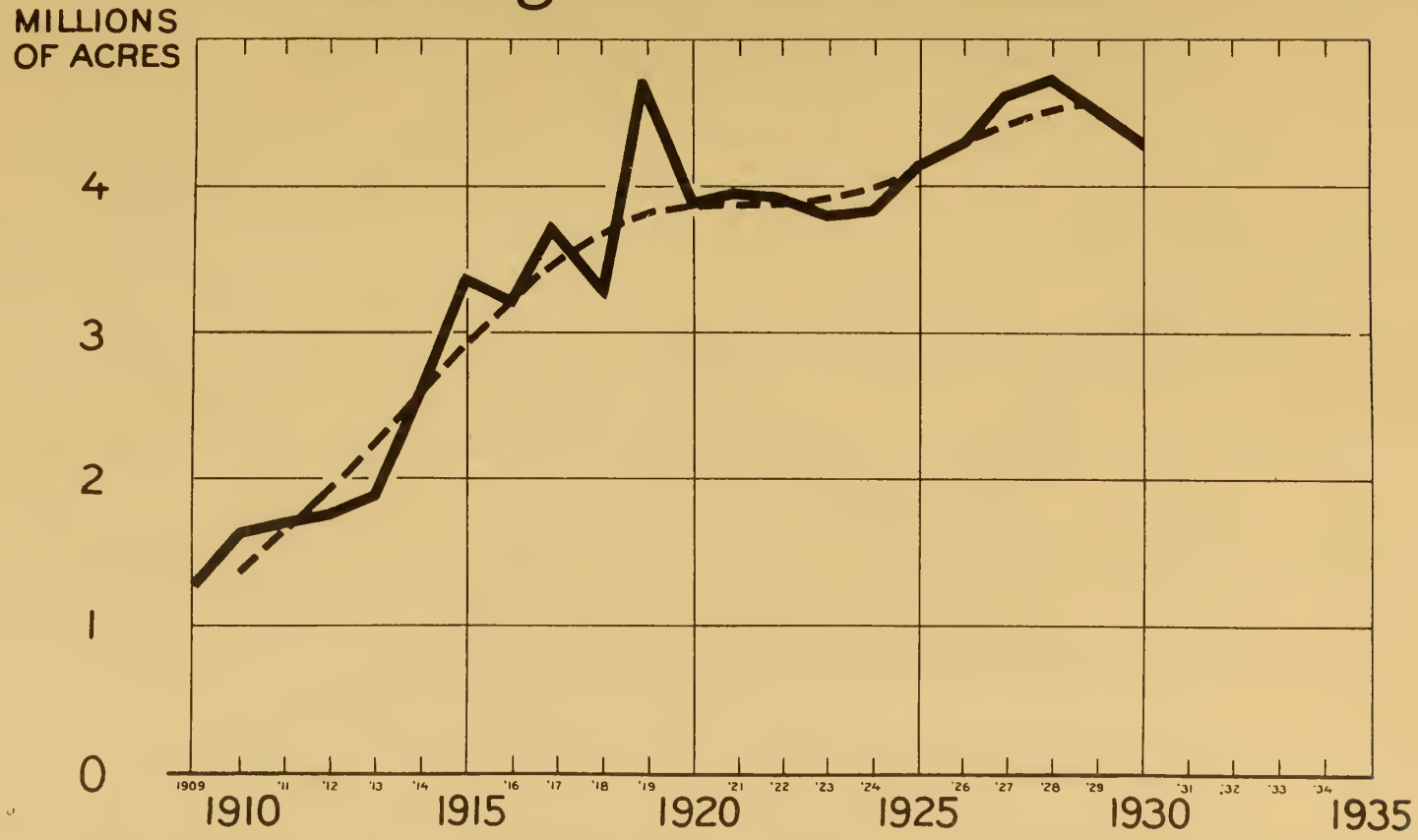


FIGURE 15 - THE ACREAGE OF WHEAT IN OKLAHOMA HAS INCREASED ABOUT ONE FOURTH FROM 1924 TO 1928. THE WAR-TIME EXPANSION IS BEING HELD. DOES THE DECLINE IN THE PAST TWO YEARS INDICATE THAT THE HIGH POINT OF ACREAGE HAS BEEN REACHED? WILL COTTON TAKE AN INCREASING PROPORTION OF THE NEW LANDS, OR WILL WHEAT ACREAGE EXPAND FROM PRESENT LEVELS WHENEVER WHEAT PRICES AGAIN BECOME RELATIVELY PROFITABLE IN COMPARISON WITH COTTON PRICES?

Texas: Wheat Acreage (Winter Wheat Seeded Preceding Fall and Spring Wheat) 1909 to Date

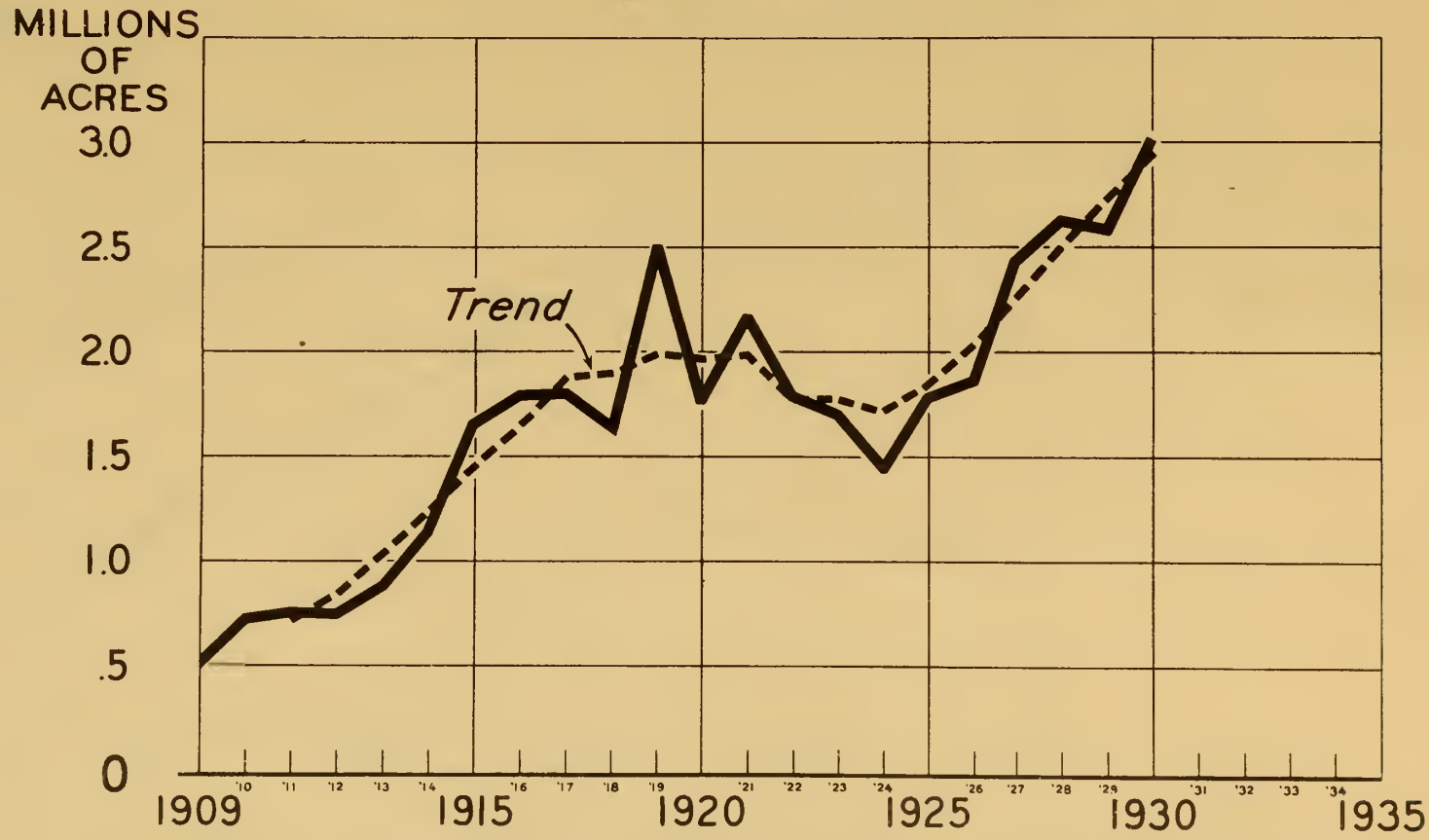


FIGURE 16 - THE WHEAT ACREAGE OF TEXAS HAS DOUBLED IN THE PAST SIX YEARS, ADDING A MILLION AND A HALF ACRES. EXPANSION HAS CONTINUED AT A RAPID RATE SINCE 1926 IN SPITE OF THE FALLING PRICES. THERE IS HERE NO INDICATION OF APPROACHING A LIMIT

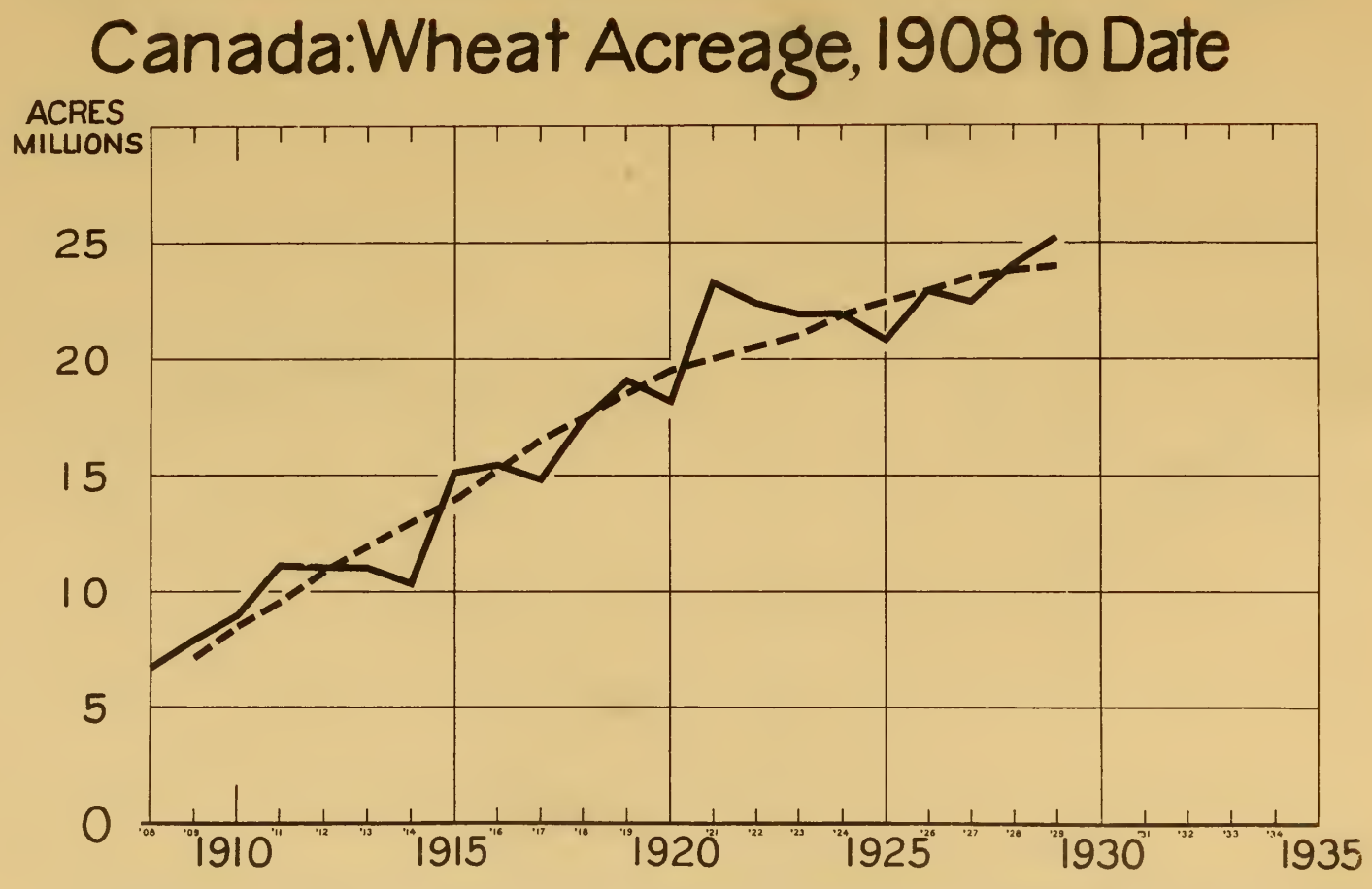


FIGURE 17 - CANADIAN ACREAGE HAS ALSO BEEN EXPANDED SINCE 1925. WAR PRICES STIMULATED THE VERY RAPID EXPANSION WHICH CARRIED THROUGH UNTIL 1921. LOW PRICES CHECKED THE EXPANSION FOR A FEW YEARS BUT, AS IN THE UNITED STATES, HIGH PRICES IN 1924-25 AGAIN SLIMULATED EXPANSION, WHICH HAS BEEN MAINTAINED IN RECENT YEARS IN THE FACE OF FALLING PRICES. IN THE PAST FIVE YEARS WE HAVE SHIPPED 7,870 COMBINES, AND 68,821 TRACTORS TO CANADA

Manitoba and Eastern Provinces: Wheat Acreage 1910 to Date

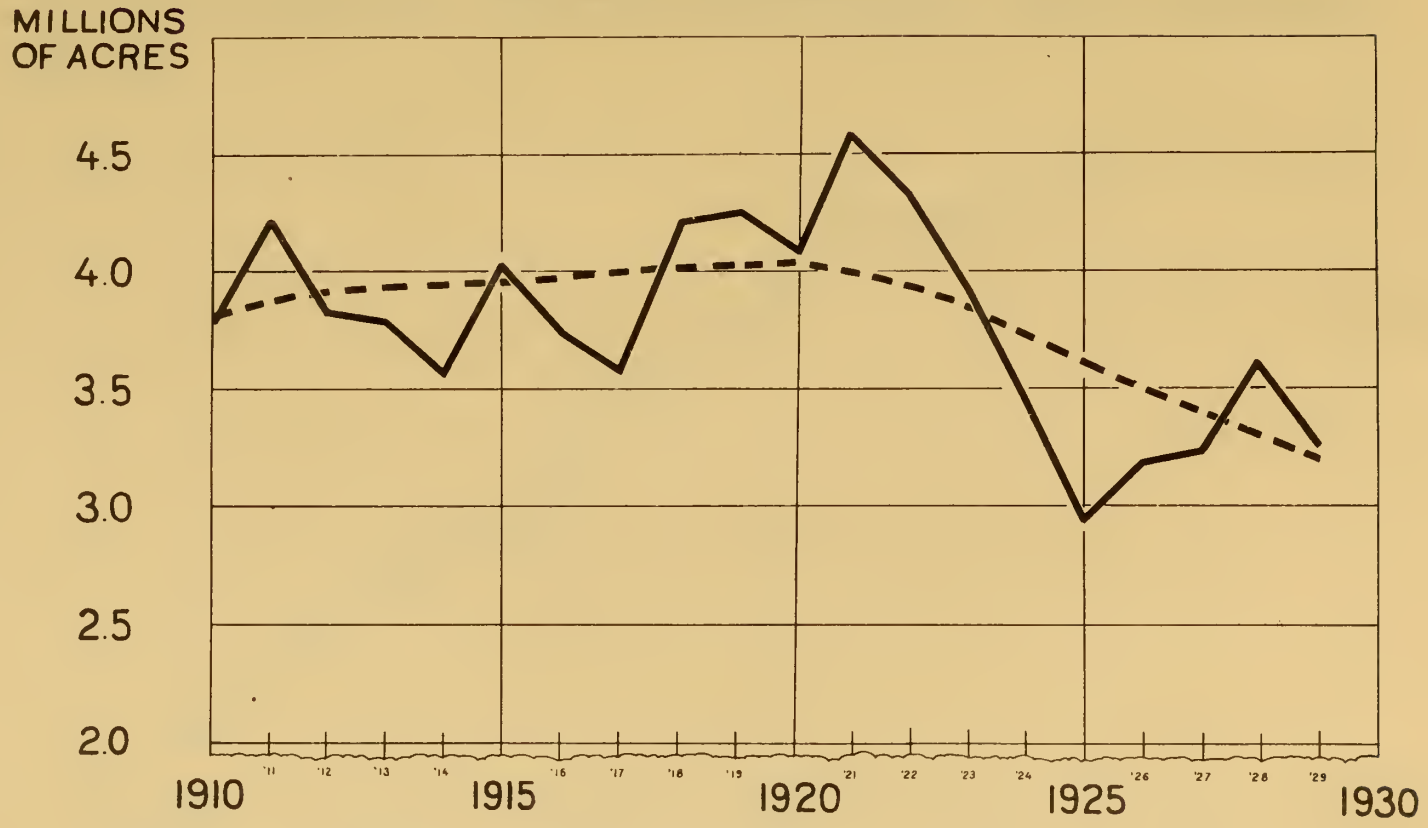


FIGURE 18 - IN CANADA AS IN THE UNITED STATES THE OLDER PRODUCING AREAS ARE CONTRACTING WHILE THE NEWER PRODUCING AREAS ARE EXPANDING. THE HIGHER PRICES OF 1924-25 RESULTED IN SOME INCREASE IN THE AREA OF MANITOBA AND THE EASTERN PROVINCES BUT THIS INCREASE DID NOT GO FAR TOWARD RECOVERING REDUCTION FOLLOWING THE WAR AND THE AREA HAS AGAIN TURNED DOWNWARD

Saskatchewan: Wheat Acreage, 1905 to Date

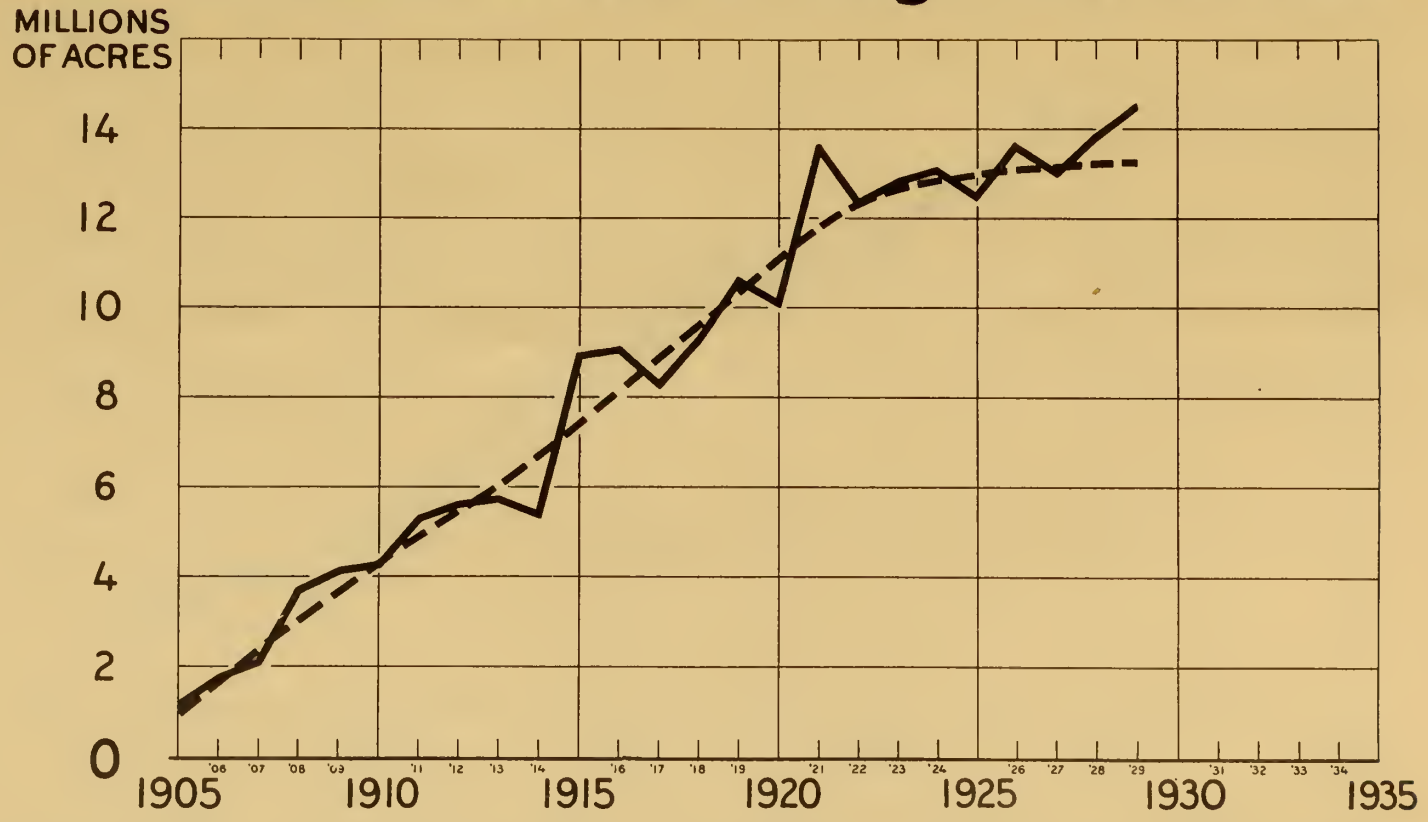
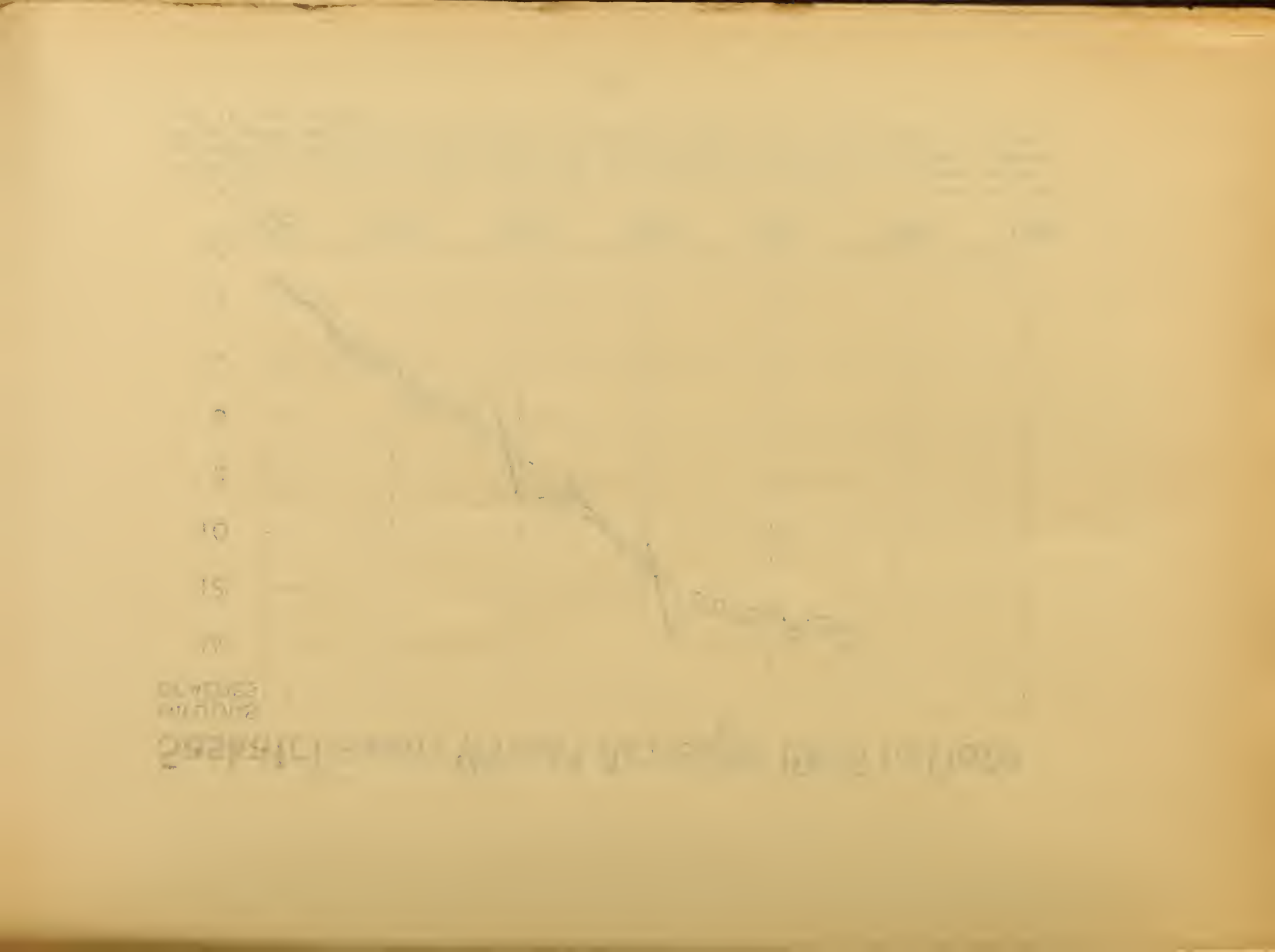


FIGURE 19 - WHEAT ACREAGE CONTINUES TO EXPAND IN SASKATCHEWAN. BUT THIS PROVINCE IS BECOMING OLD WHEAT PRODUCING TERRITORY AND THE RATE OF EXPANSION OF RECENT YEARS HAS BEEN ONLY MODERATE IN COMPARISON WITH THE EXPANSION THAT HAS TAKEN PLACE IN MANY OF THE NEWER WHEAT PRODUCING REGIONS. DOUBTLESS THERE IS STILL SOME ROOM FOR EXPANSION IN SASKATCHEWAN



Alberta: Wheat Acreage, 1910 to Date

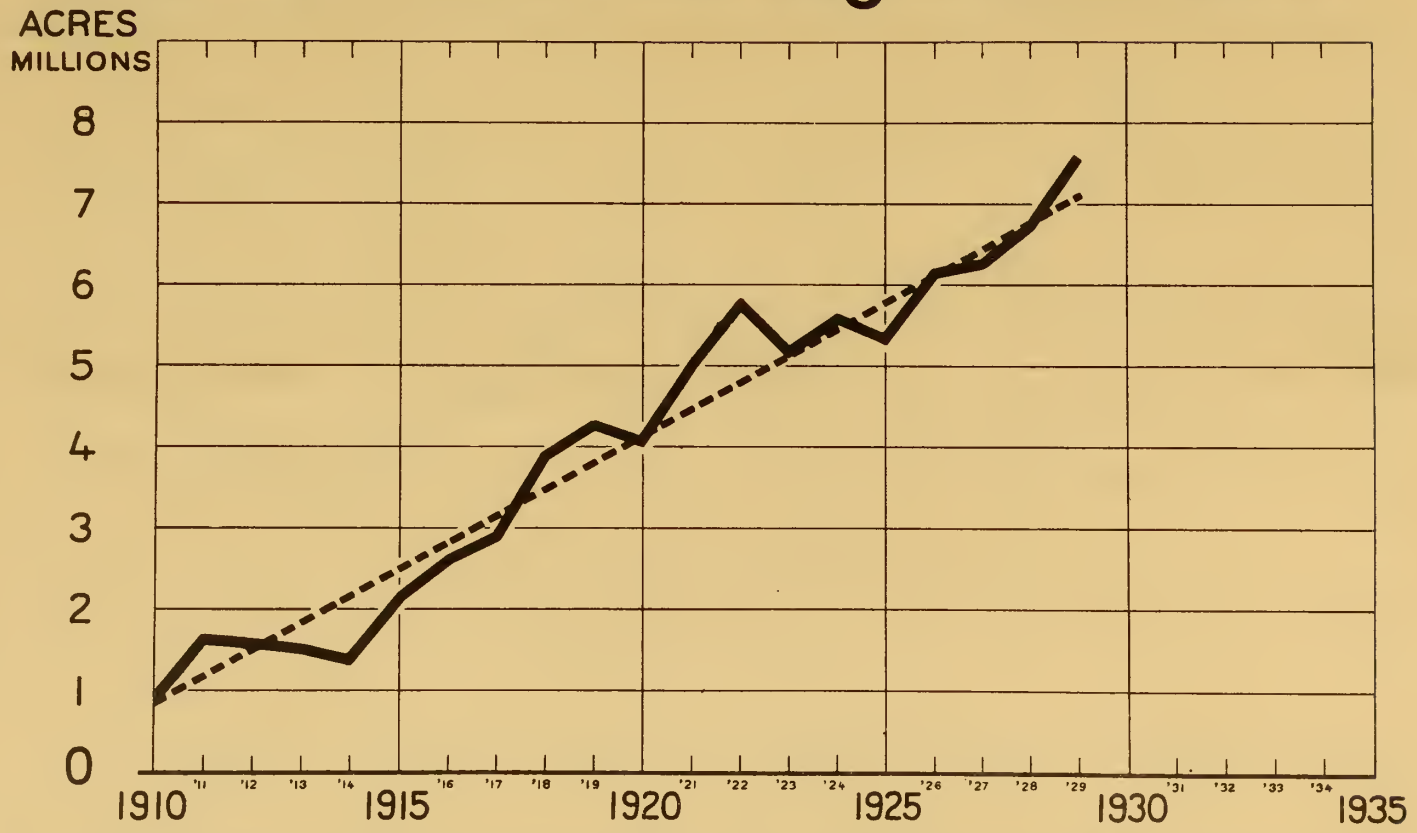


FIGURE 20 - ALBERTA DOES NOT KNOW THAT THE WAR IS OVER. HER WHEAT ACREAGE HAS CONTINUED TO EXPAND AT A RAPID RATE SINCE 1910, THROUGH THE WAR PERIOD, TO DATE. BEGINNING WITH ONLY A MILLION ACRES, THAT PROVINCE LAST YEAR HAD 7-1/2 MILLION ACRES. IN THE PAST FIVE YEARS THE INCREASE IN THE WHEAT AREA OF THIS PROVINCE ALONE HAS BEEN MORE THAN 2 MILLION ACRES, ABOUT HALF AS MUCH AS IN THE SOUTHWESTERN HARD WINTER WHEAT STATES. THERE IS STILL ROOM FOR A LOT OF NEW WHEAT ACREAGE IN ALBERTA

Australia: Wheat Acreage, 1904 to Date

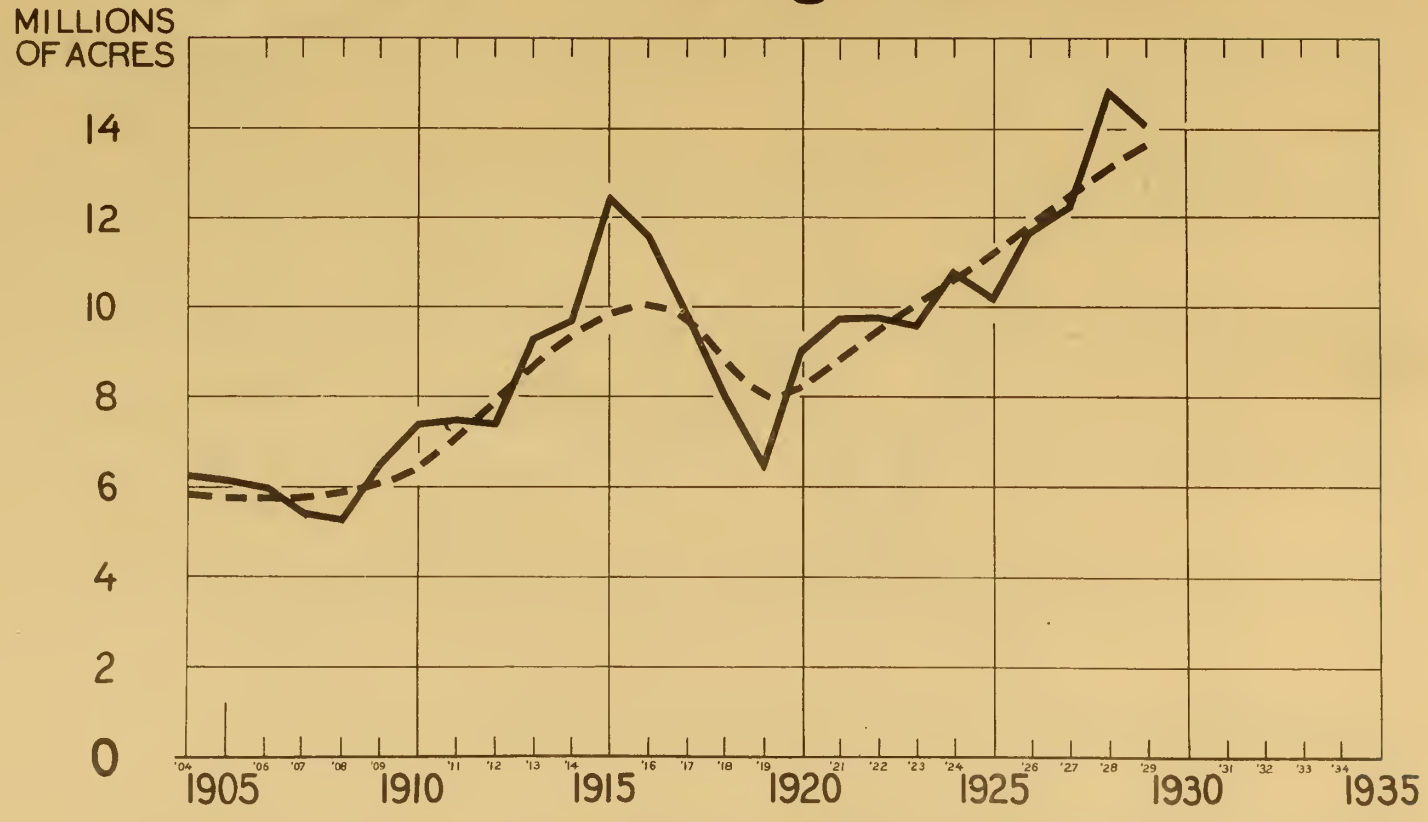


FIGURE 21 - IN AUSTRALIA AS IN ARGENTINA ACREAGE HAS EXPANDED RAPIDLY IN THE PAST SIX YEARS. IN THIS PERIOD AUSTRALIA HAS ADDED ABOUT AS MANY ACRES AS THE SOUTH-WESTERN HARD WINTER WHEAT STATES HAVE ADDED. IN AUSTRALIA AS ON THE GREAT PLAINS, MOISTURE IS THE IMPORTANT FACTOR IN LIMITING THE AREAS AVAILABLE FOR WHEAT PRODUCTION; BUT THERE AS HERE THE COMBINE AND THE TRACTOR ARE AIDING IN THE EXPANSION. CANADA AND THE UNITED STATES ARE SUPPLYING THE MACHINERY, THE UNITED STATES HAS SHIPPED FOR HER 398 COMBINES AND 21,000 TRACTORS IN THE PAST FIVE YEARS

Argentina: Wheat Acreage, 1904 to Date

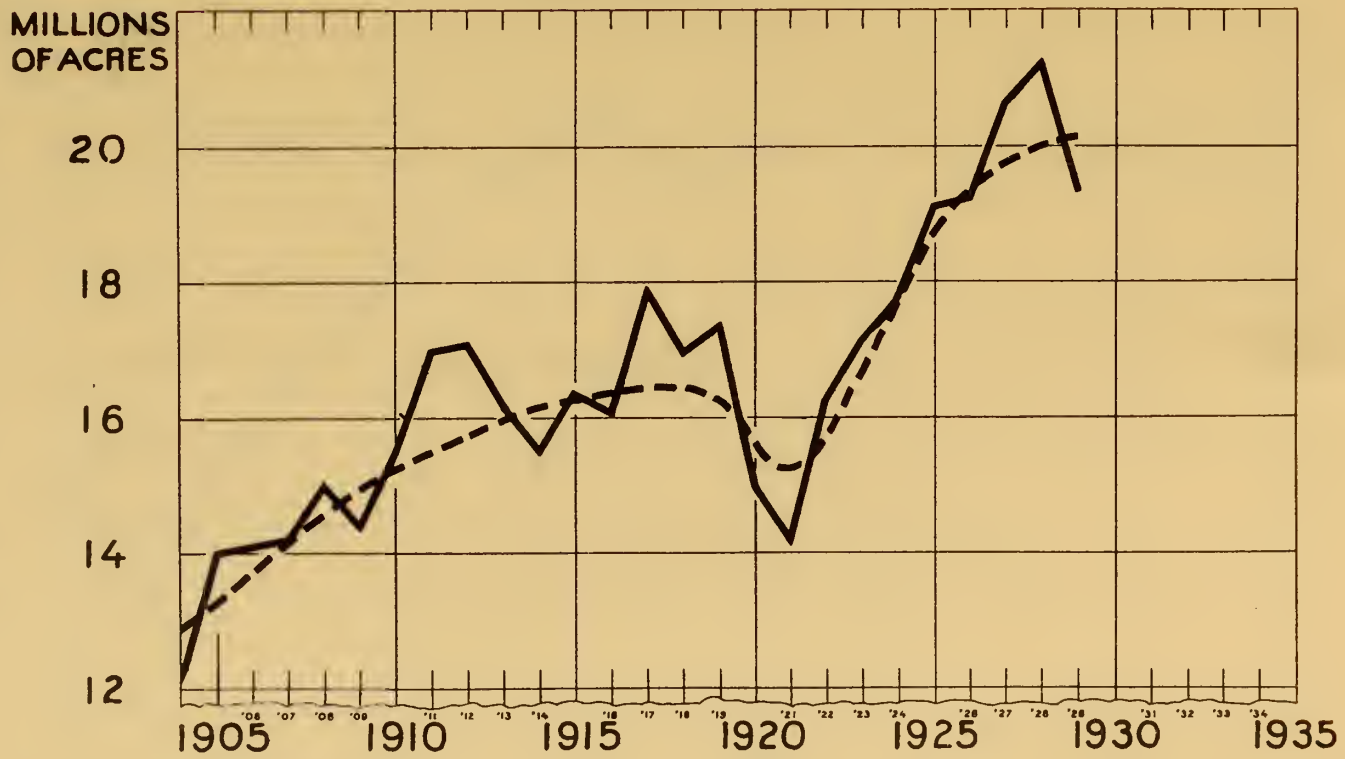
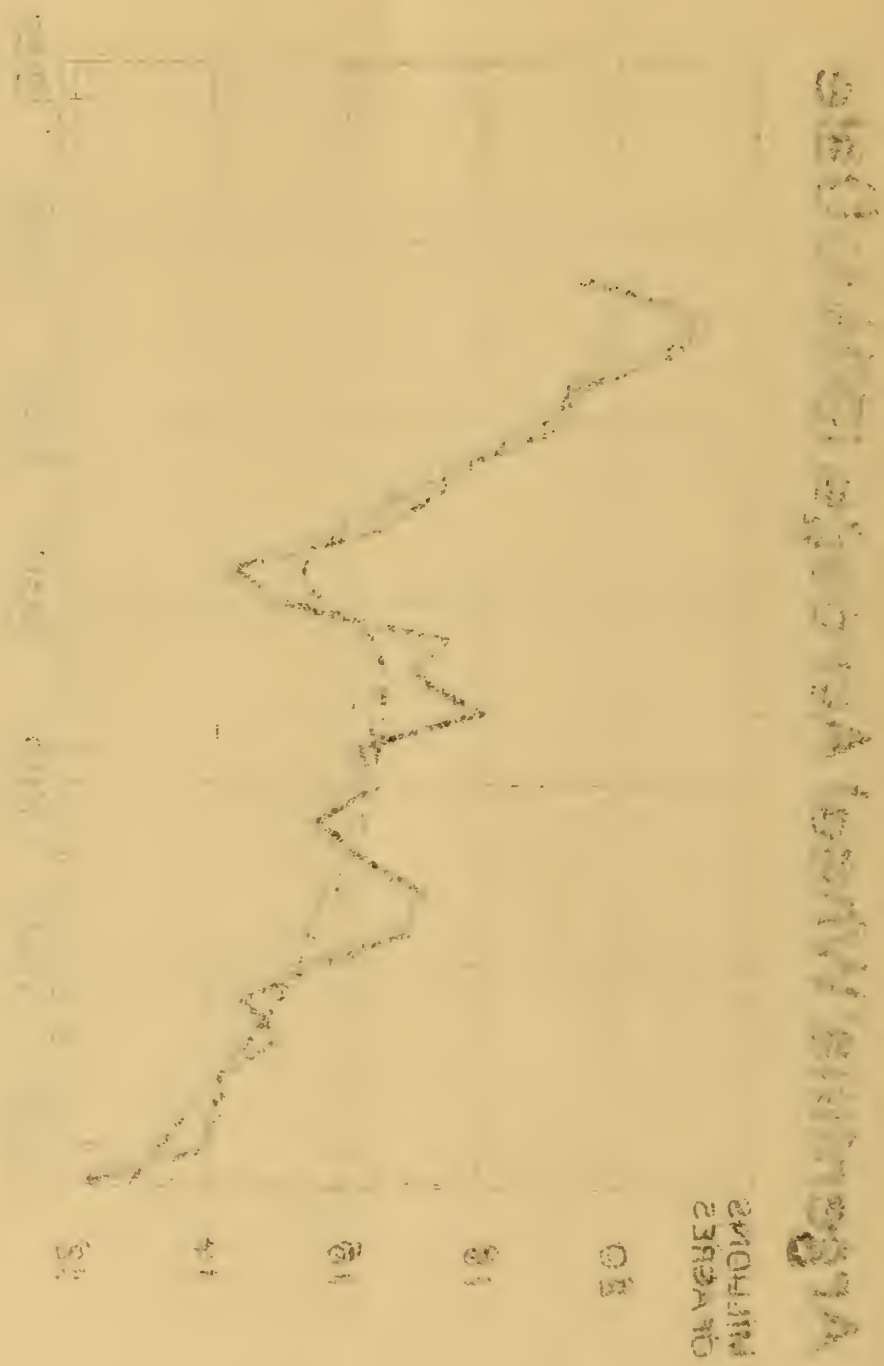


FIGURE 22 - ARGENTINA IS ALSO USING THE COMBINE AND THE TRACTOR ON NEW LANDS TO PRODUCE MORE WHEAT. IN FIVE YEARS WE HAVE SOLD TO THAT COUNTRY 16,683 COMBINES, AND 24,382 TRACTORS. A SHORT CROP IN 1919, FOLLOWED BY LOW PRICES, REDUCED THE ARGENTINE ACREAGE TO A LOW LEVEL, BUT THE COMEBACK WAS QUICK. BETWEEN 1924 AND 1928, 4,000,000 ACRES WERE ADDED EVEN IN THE FACE OF FALLING PRICES IN RECENT YEARS. THE REDUCTION IN THE PAST YEAR IS NOT DUE TO INTENTIONS SO MUCH AS TO WEATHER. ANOTHER SHORT CROP AND LOW PRICES MAY CURTAIL ARGENTINE ACREAGE FOR A BRIEF PERIOD, BUT THERE IS STILL ROOM IN ARGENTINA FOR CONSIDERABLE EXPANSION



Estimated Wheat Acreage for Russia Average, 1909-1913 and 1921 to Date

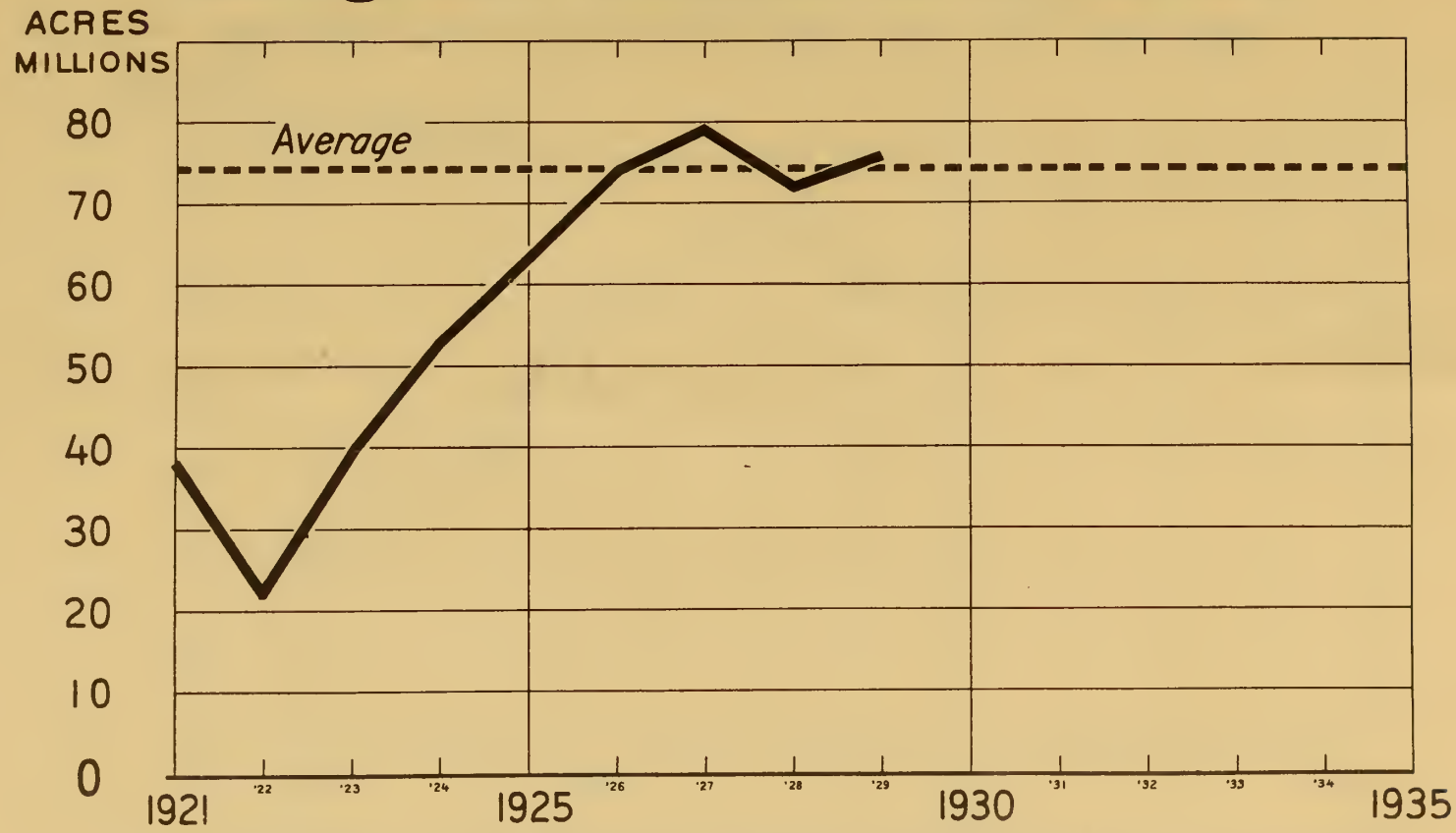


FIGURE 23 - RUSSIA IS AN OLD WHEAT PRODUCER NOW TRYING NEW TRICKS. THE REVOLUTION GREATLY CURTAILED WHEAT ACREAGE. BY 1926 THE PRE-WAR AREA HAD BEEN RECOVERED, IF WE CAN BELIEVE RUSSIAN STATISTICS. NOW THE NEW GOVERNMENT IS PLANNING A CONSIDERABLE INCREASE IN WHEAT PRODUCTION. IN THE PAST FIVE YEARS THE UNITED STATES HAS SHIPPED ABOUT 39,000 TRACTORS AND ABOUT 500 COMBINES TO RUSSIA. UNDOUBTEDLY THE RUSSIAN WHEAT AREA CAN BE INCREASED TO A LARGE EXTENT

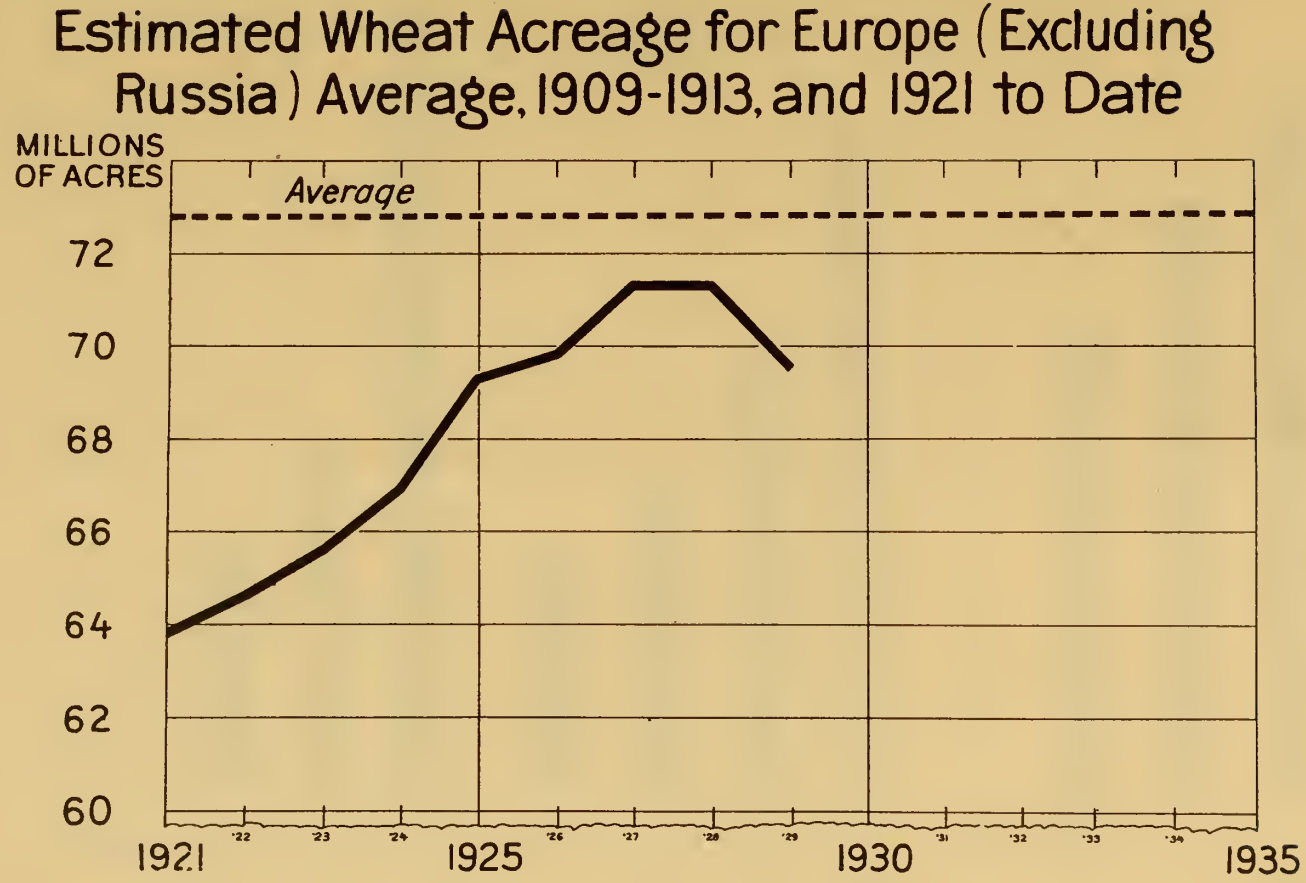


FIGURE 24 - EUROPEAN WHEAT ACREAGE OUTSIDE OF RUSSIA HAS NOT YET RECOVERED TO THE PRE-WAR LEVEL. AREAS HAVE DECLINED OR REMAIN BELOW PRE-WAR LEVELS IN THE UNITED KINGDOM, FRANCE, AND RUMANIA. IN OTHER COUNTRIES, PARTICULARLY SPAIN, ITALY, YUGOSLAVIA, AND HUNGARY, THE WHEAT AREAS HAVE INCREASED BUT NOT SUFFICIENTLY TO MAKE UP FOR THE SMALLER AREAS IN OTHER COUNTRIES. ON THE WHOLE, NO MATERIAL EXPANSION IN WHEAT ACREAGE IS TO BE EXPECTED OUTSIDE OF RUSSIA

Wheat: Import Duties in Important Importing Countries on Specified Dates

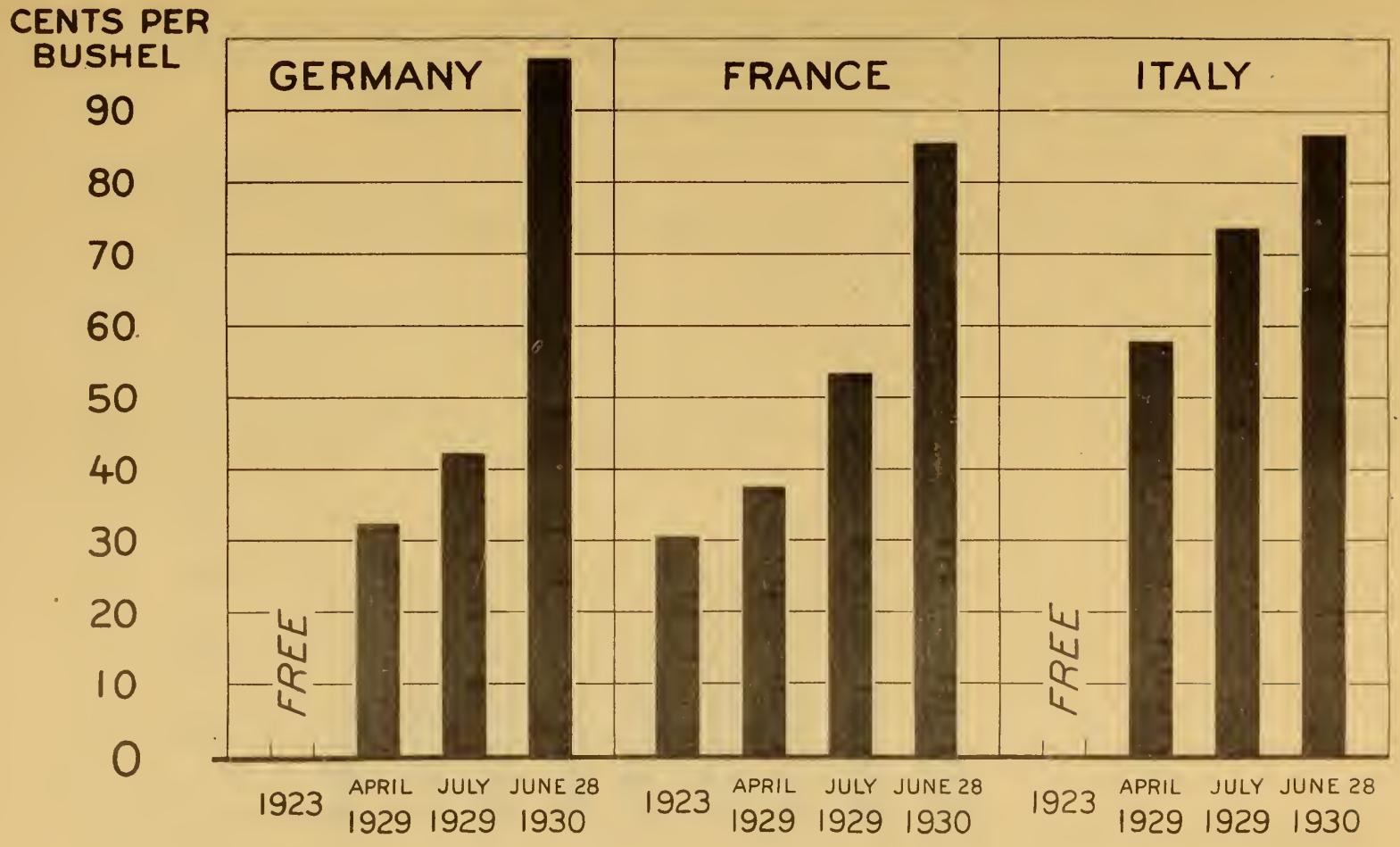


FIGURE 25 - TARIFF DUTIES HAVE BEEN GREATLY INCREASED IN THE PAST EIGHTEEN MONTHS. SINCE APRIL, 1929, ITALY HAS ADDED 29 CENTS, FRANCE 52 CENTS, AND GERMANY 65 CENTS PER BUSHEL ON IMPORTED WHEAT. A LARGE PART OF THESE INCREASES HAVE BEEN PUT INTO EFFECT IN THE PAST TWELVE MONTHS. THESE INCREASES IN DUTIES HAVE BEEN MADE BY THE RESPECTIVE GOVERNMENTS FOR THE PURPOSE OF PROTECTING THEIR DOMESTIC MARKETS FROM WORLD COMPETITION AT LOW PRICES, WHEN THEY HAD LARGE DOMESTIC SUPPLIES

Wheat: Stocks in Principal Exporting Countries and Afloat, as of July 1, 1922 to Date

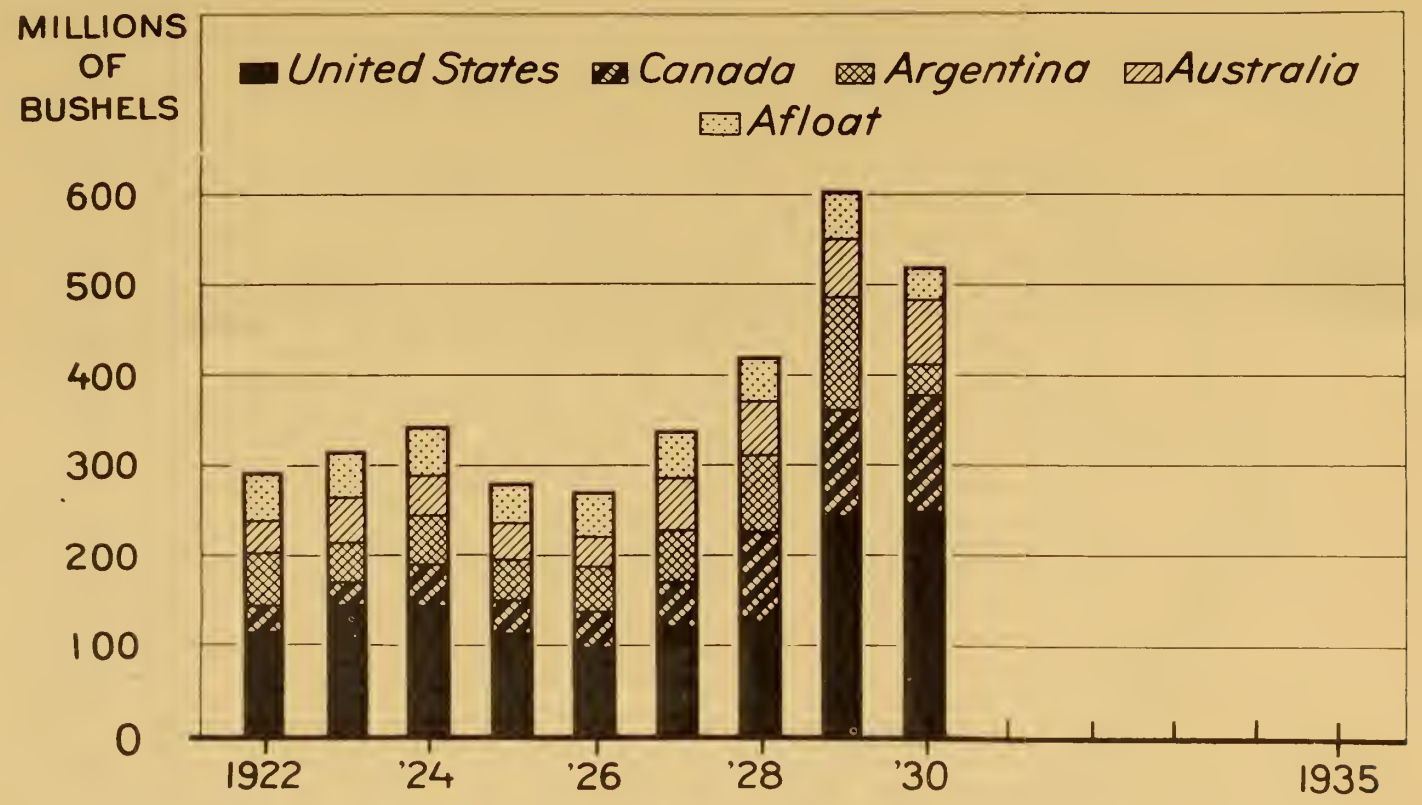


FIGURE 26 - STOCKS OF OLD WHEAT AS OF JULY 1, THE BEGINNING OF THE WHEAT MARKETING SEASON IN THE UNITED STATES, INCREASED RAPIDLY FROM 1926 TO 1929. THE WORLD STOCKS OF WHEAT ON JULY 1, 1929 ARE PROBABLY THE RECORD FOR ALL TIME. THE STOCKS AT THE BEGINNING OF THIS MONTH ARE STILL LARGE BUT LESS THAN A YEAR AGO. THE UNACCOUNTED FOR STOCKS PROBABLY HAVE BEEN REDUCED MORE THAN INDICATED BY THIS CHART

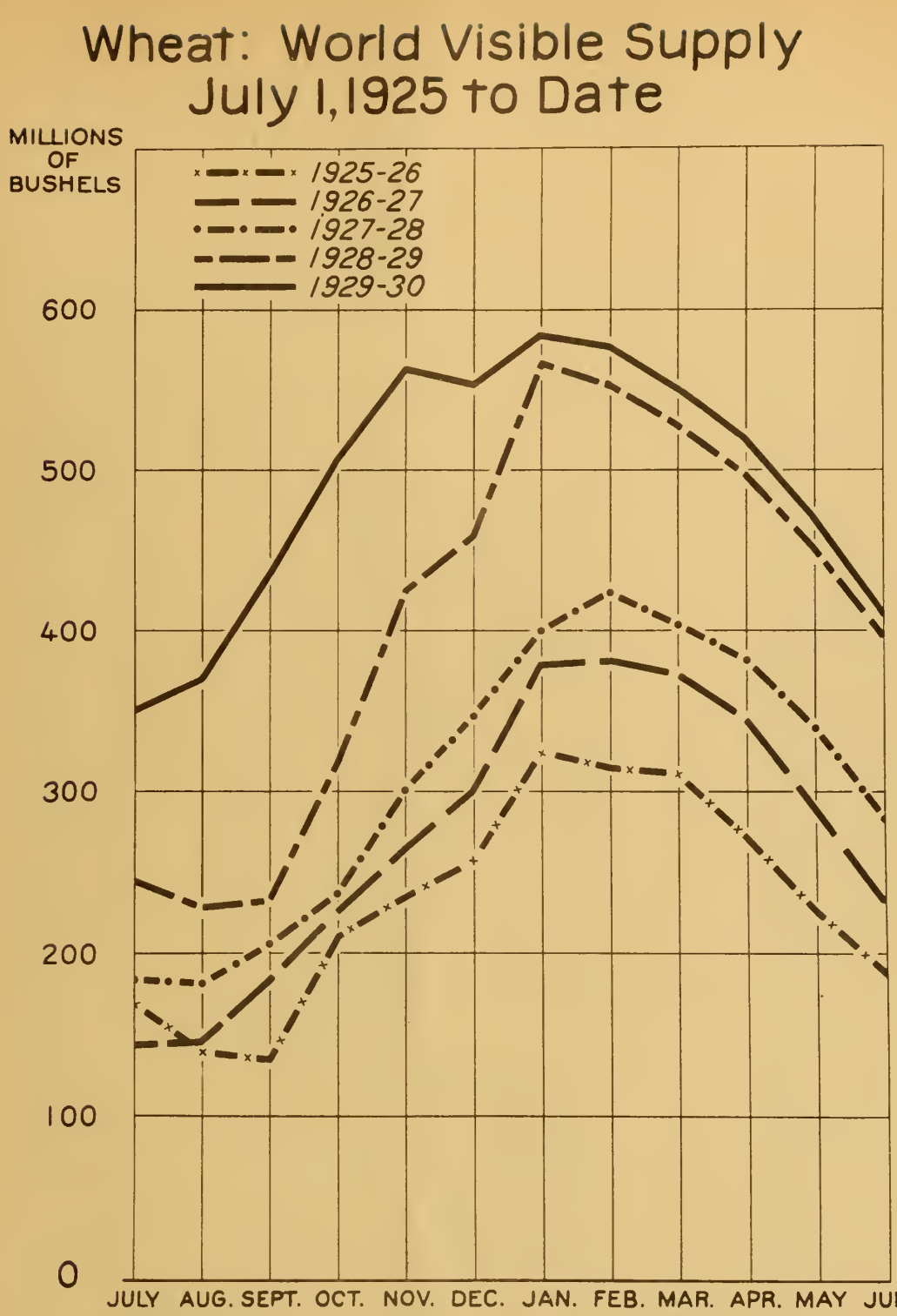


FIGURE 27 - THE WORLD'S VISIBLE SUPPLY OF WHEAT HAS BEEN INCREASING EACH YEAR SINCE 1925. MONTHLY THE VISIBLE SUPPLIES OF THE PAST YEAR HAVE BEEN EXTRAORDINARILY HIGH

Wheat: Prices of British Parcels at Liverpool and No. 2 Hard Winter at Kansas City, July 1922 to Date

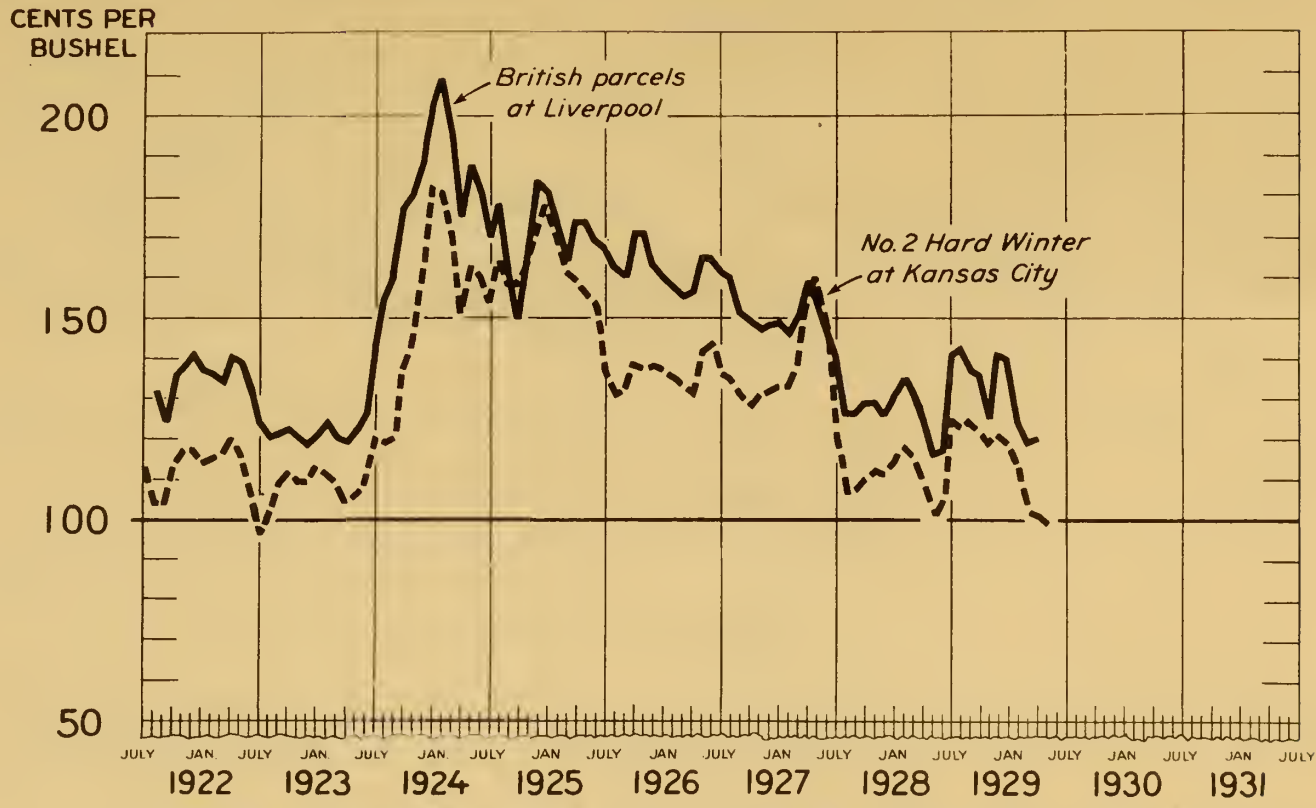


FIGURE 28 - LIVERPOOL BEING A FREE MARKET FOR LARGE QUANTITIES OF WHEAT FROM ALL PARTS OF THE WORLD IS IN A REAL SENSE A WORLD WHEAT MARKET. PRICES AT KANSAS CITY GENERALLY FLUCTUATE WITH PRICES AT LIVERPOOL, BUT THE SPREAD BETWEEN KANSAS CITY AND LIVERPOOL PRICES IS SOMETIMES WIDE AND SOMETIMES VERY NARROW. IN FACT, OCCASIONALLY THE PRICE OF NO. 2 HARD WINTER WHEAT AT KANSAS CITY IS AS HIGH AS, OR A LITTLE ABOVE, THE AVERAGE AT LIVERPOOL

Indexes of Wholesale Commodity Prices in Specified Countries, 1922 to Date

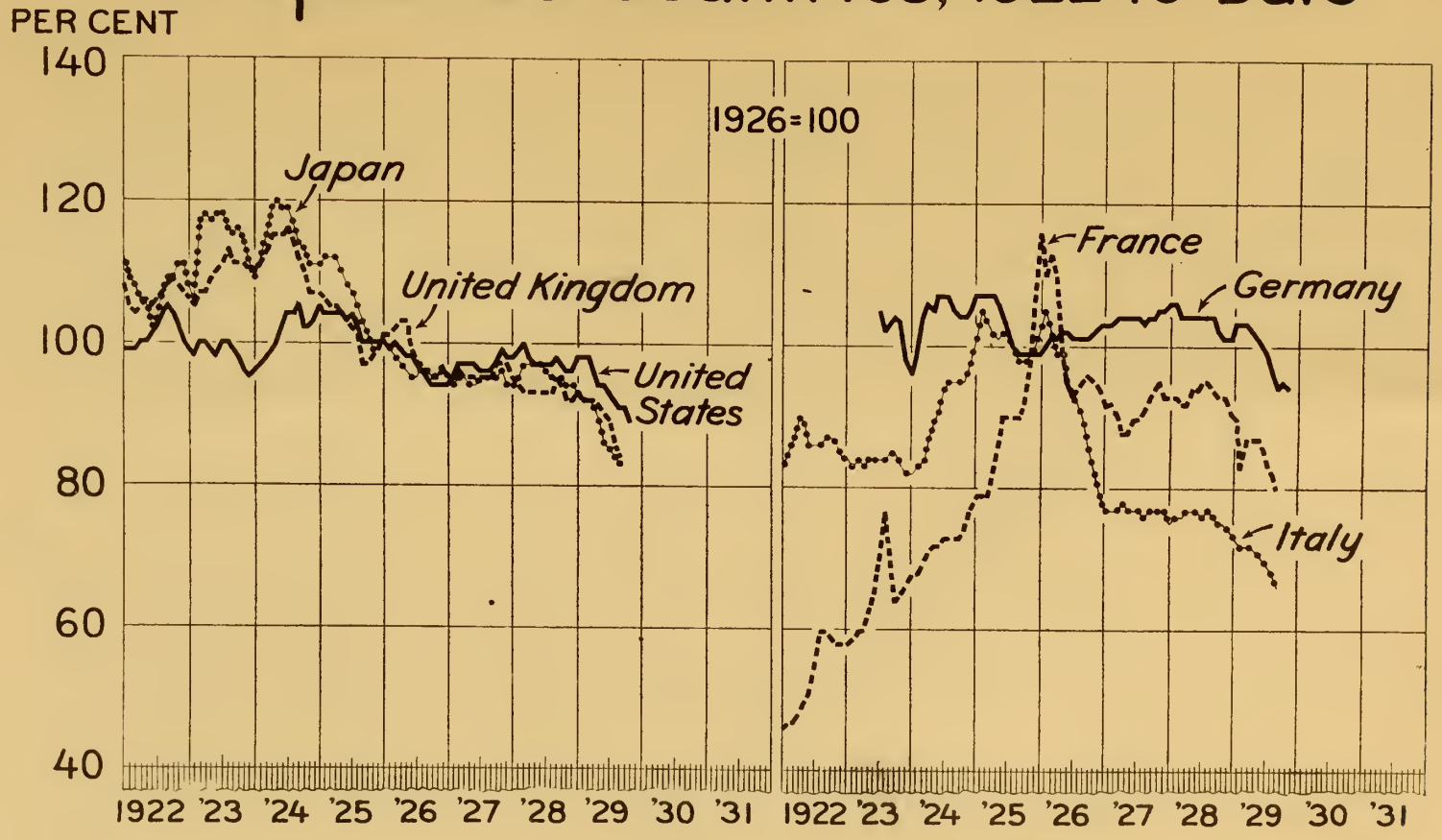


FIGURE 29 - THE RECENT DECLINE IN THE GENERAL COMMODITY PRICE LEVEL IS WORLD-WIDE. IN SOME COUNTRIES THE DECLINE BEGAN EARLIER AND HAS GONE FARTHER THAN IN THE UNITED STATES. SUCH A DECLINE IN PRICES REDUCES THE PURCHASING POWER OF CONSUMERS AND FORCES PRODUCERS TO TAKE LESS IF THEY WISH TO SELL WHAT THEY HAVE

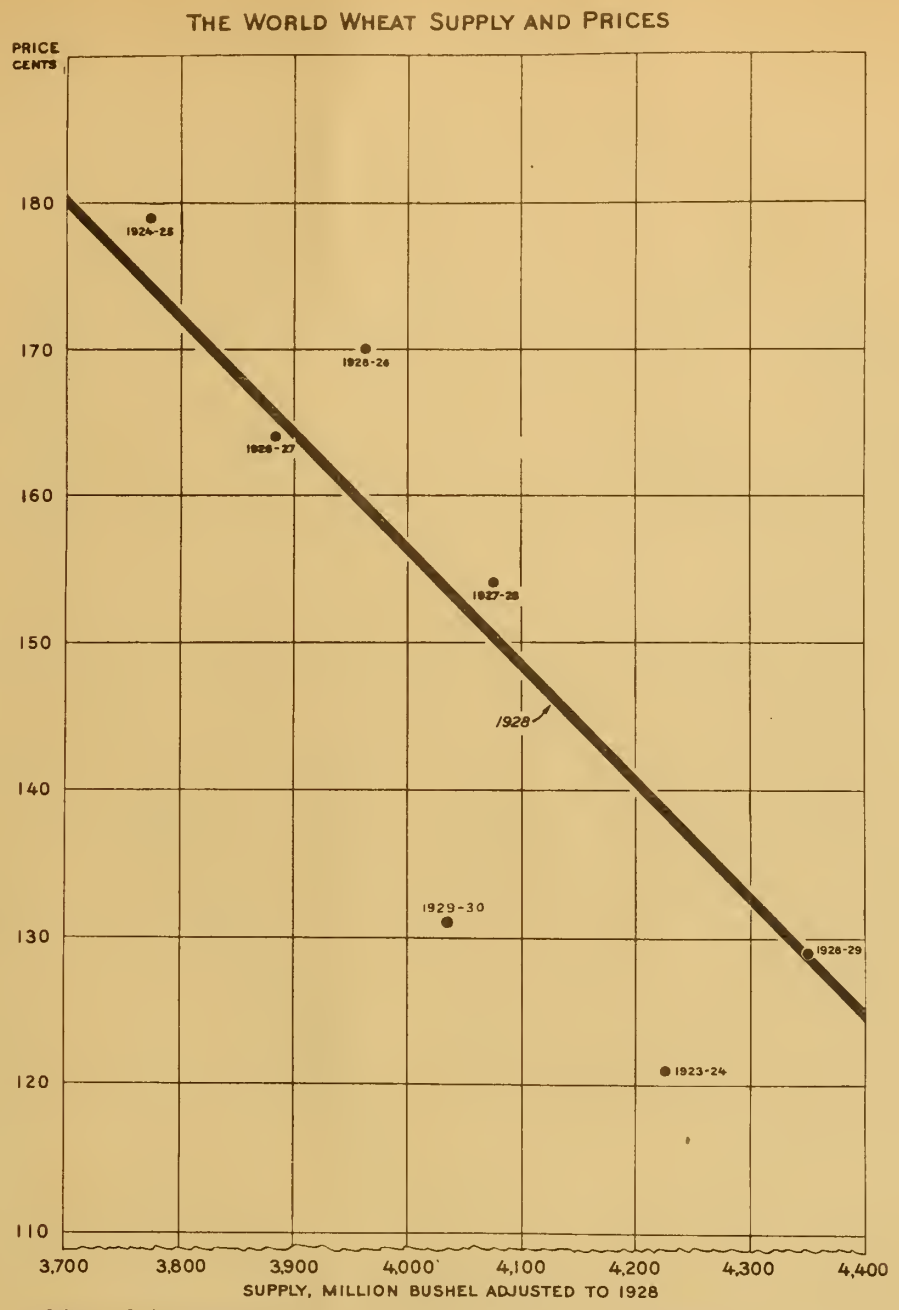


FIGURE 30 - WORLD WHEAT PRICES ARE CLOSELY RELATED TO SUPPLY, WHILE THE GENERAL COMMODITY PRICE LEVEL REMAINS ABOUT THE SAME. A SMALL WORLD SUPPLY AS IN 1924 RESULTS IN HIGH PRICES IN LIVERPOOL, WHEREAS A VERY LARGE SUPPLY, AS IN 1928, RESULTS IN LOW PRICES IN LIVERPOOL. ACCORDING TO THIS CHART IN THE PAST FEW YEARS A CHANGE OF 100 MILLION BUSHELS IN THE AVERAGE SUPPLY WOULD CHANGE THE WORLD MARKET PRICES ABOUT 8 CENTS PER BUSHEL.

Kansas City: United Kingdom Price Spread and Exports of Hard Winter Wheat from U. S.

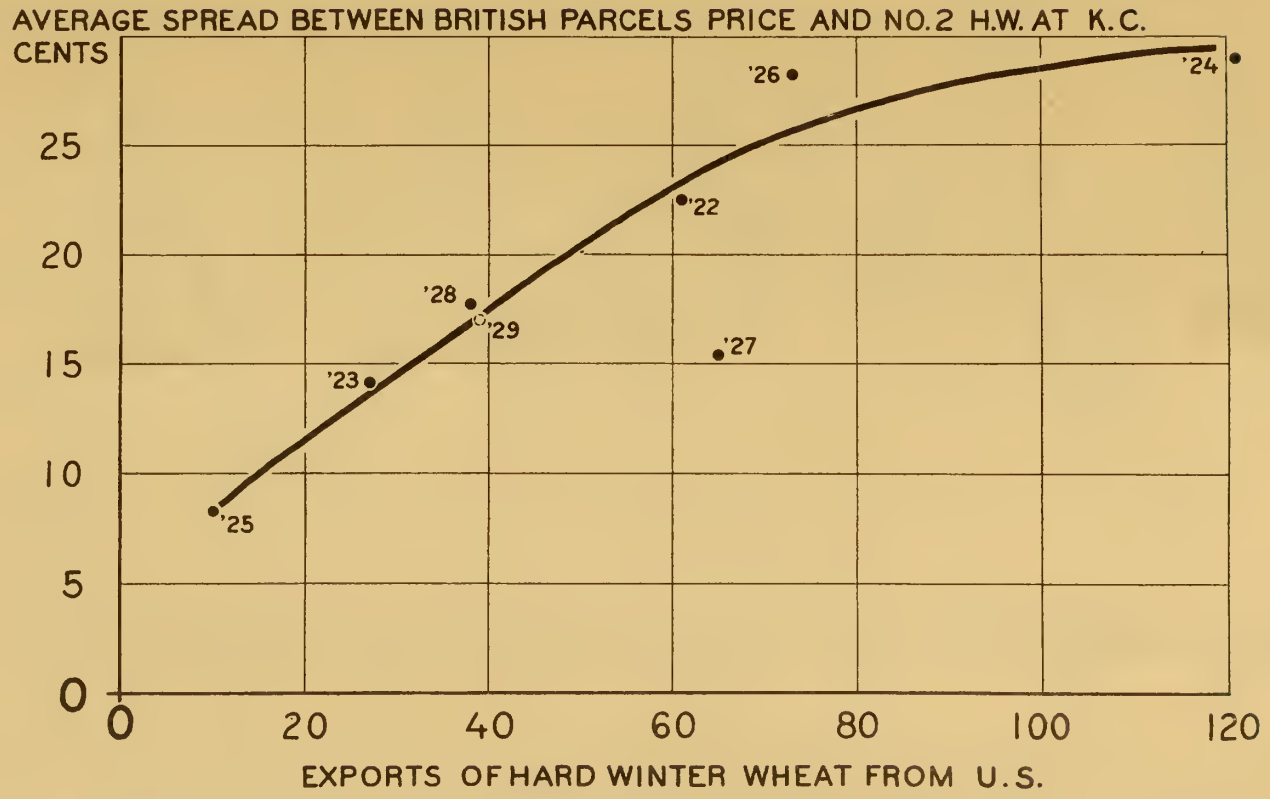


FIGURE 31 - WHEN THE EXPORTABLE SURPLUS OF HARD RED WINTER WHEAT IS LARGE AS IN THE 1924-25 SEASON, KANSAS CITY PRICES ARE FAR BELOW LIVERPOOL. WHEN THE EXPORTABLE SURPLUS IS SMALL, AS IN THE 1925-26 SEASON, KANSAS CITY PRICES ARE CLOSE TO THOSE IN LIVERPOOL. THE EXPORTS OF HARD RED WINTER WHEAT IN THE PAST SEVEN YEARS HAVE AVERAGED ABOUT 60 MILLION BUSHELS PER YEAR, WITH AN AVERAGE SPREAD BETWEEN LIVERPOOL AND KANSAS CITY OF ABOUT 23 CENTS

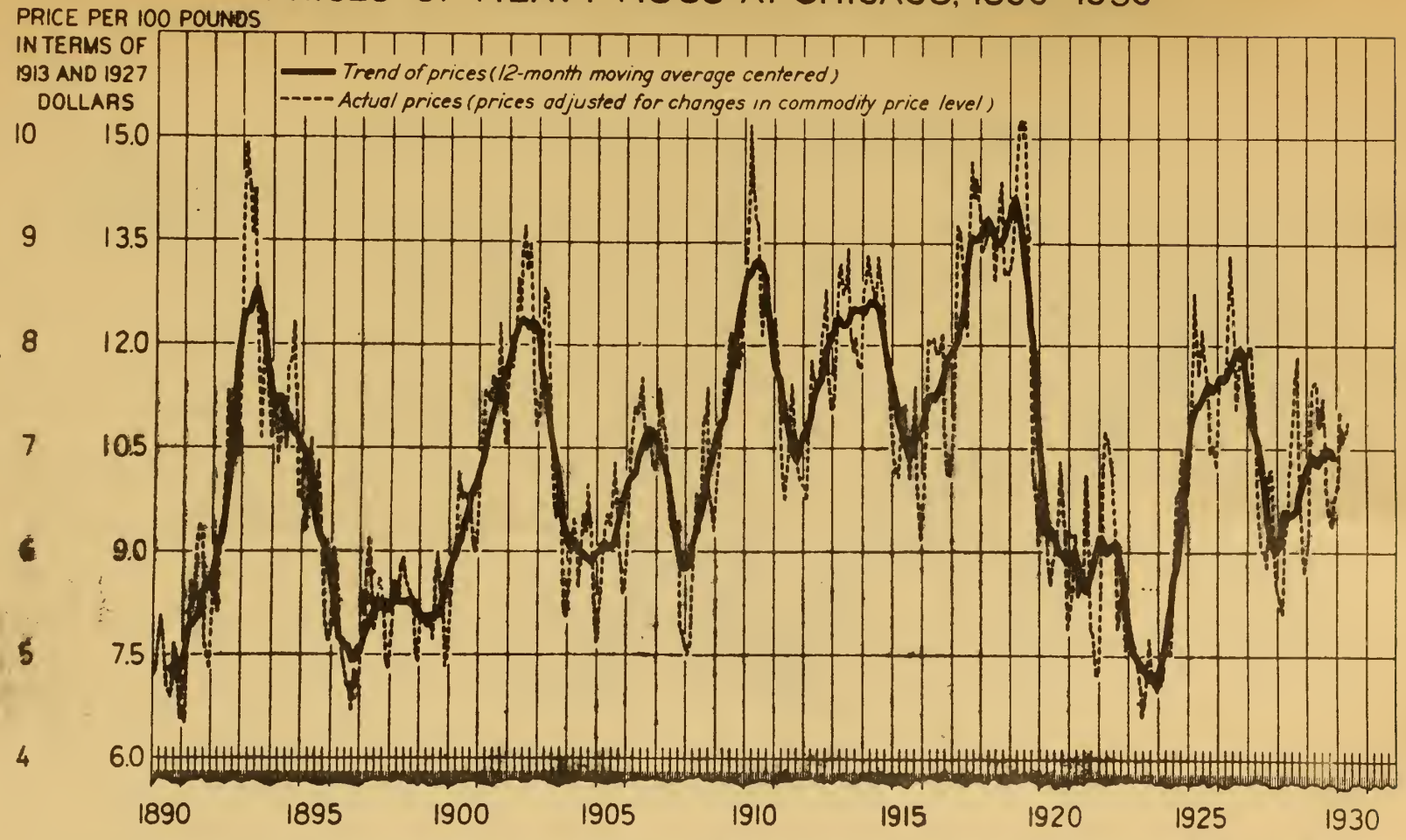


FIGURE 32 - FLUCTUATIONS IN THE PRICES OF HEAVY HOGS AT CHICAGO SHOW THE RESULTS OF HOG PRODUCTION CYCLES. WHEN PRICES ARE HIGH, FARMERS PLAN TO PRODUCE TOO MANY HOGS. AFTER PRICES HAVE FALLEN TO A LOW LEVEL, THEY REDUCE BREEDING AND CUT DOWN PRODUCTION UNTIL PRICES RISE TO A HIGH LEVEL AGAIN. THESE CYCLES VARY IN LENGTH FROM ABOUT 3 TO 5 YEARS. WE ARE NOW IN THE HIGH PRICE PHASE OF THE HOG CYCLE, AND A GOOD CORN CROP PROBABLY WOULD RESULT IN THE BREEDING OF MORE SOWS TO PRODUCE MORE HOGS IN 1931

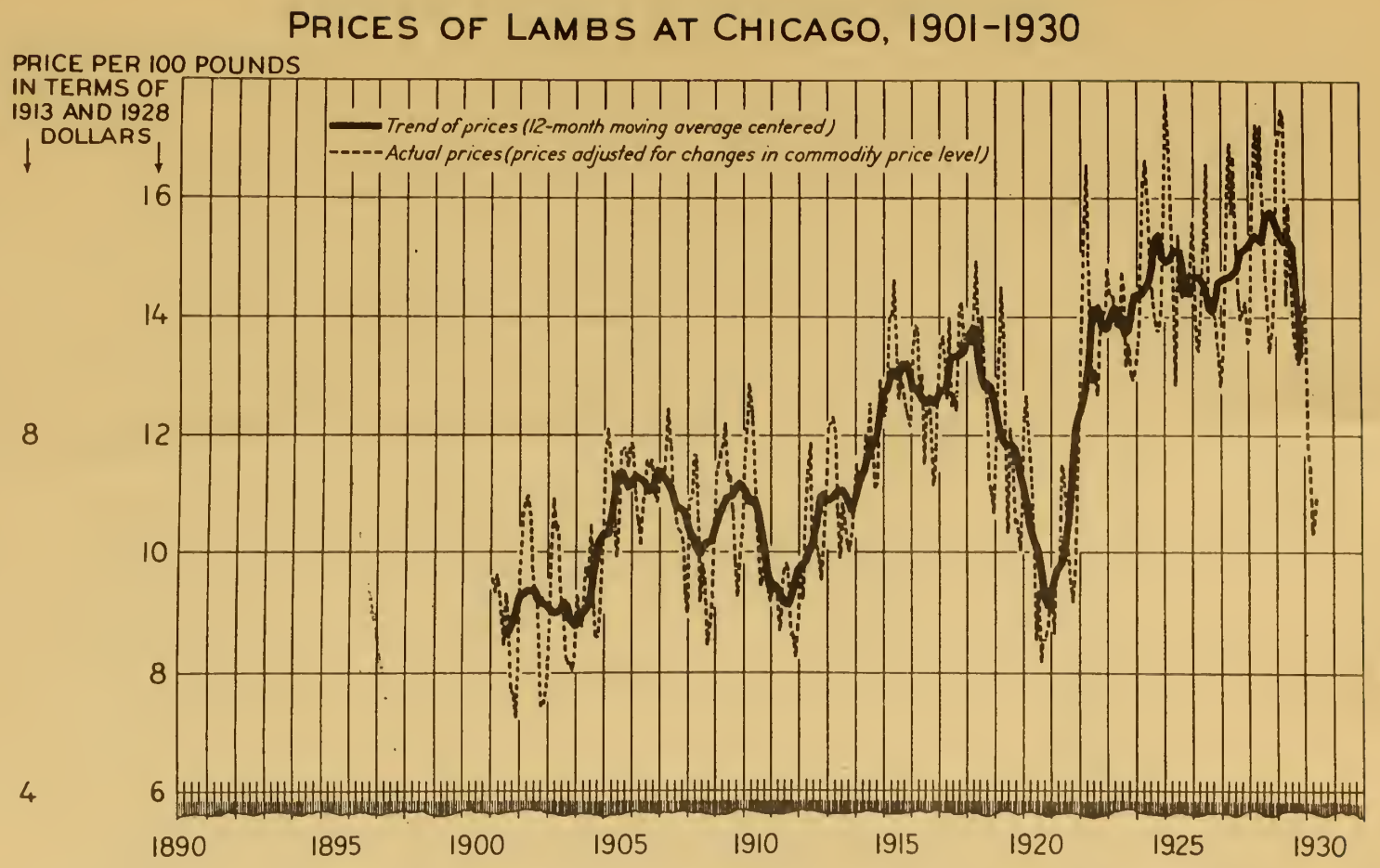


FIGURE 33 - LAMB PRODUCTION MOVES IN CYCLES, HIGH PRICES BRINGING LARGER PRODUCTION AND LOW PRICES. THESE CYCLES VARY IN LENGTH FROM ABOUT 8 TO 9 YEARS. WE ARE NOW IN THE HIGH PRODUCTION - LOW PRICE PHASE OF THE LAMB PRICE CYCLE.

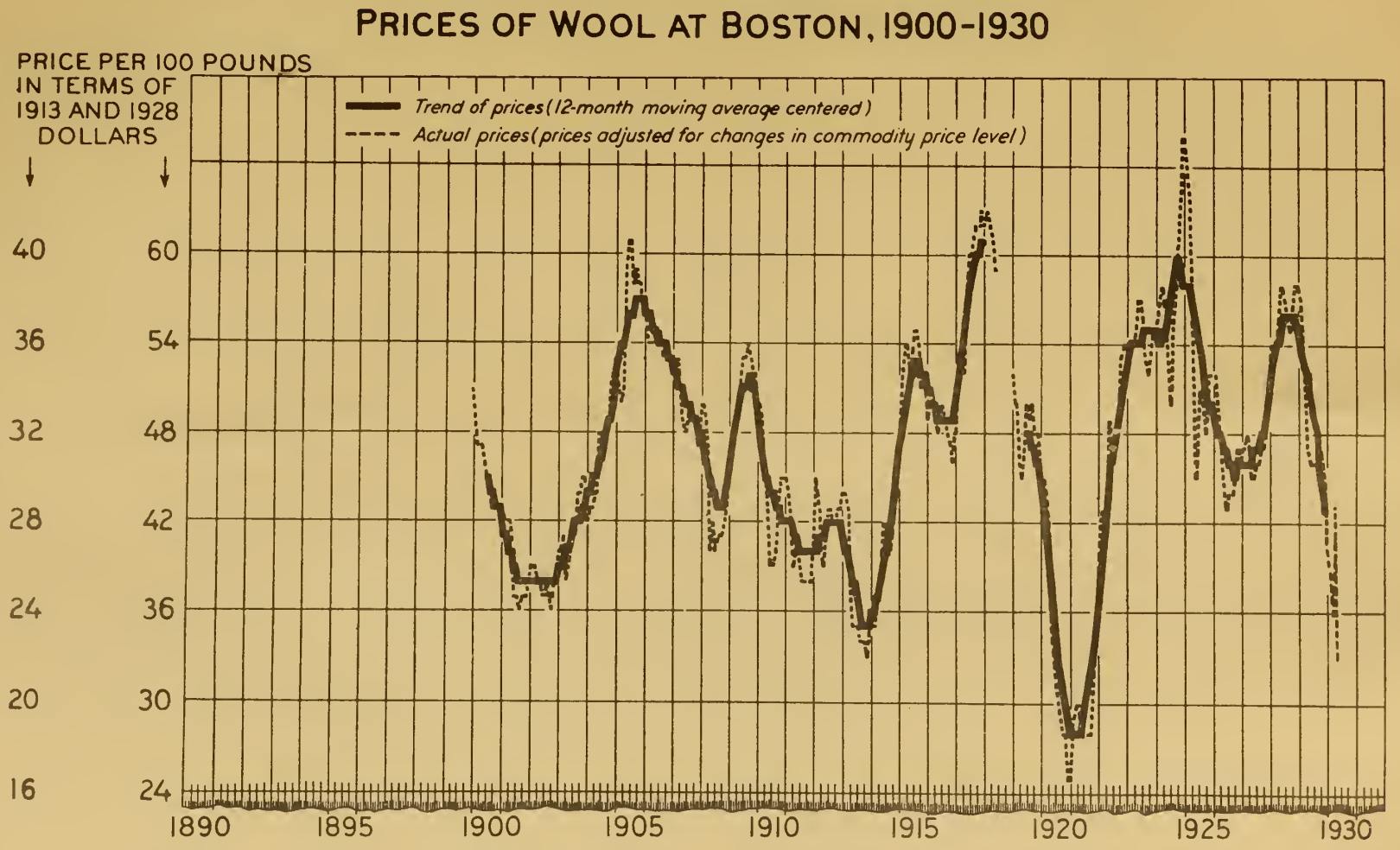
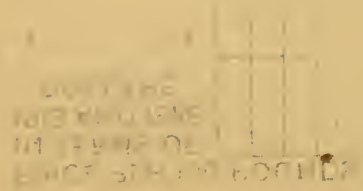


FIGURE 34 - WOOL PRICES DEPEND LARGELY UPON WORLD WOOL PRODUCTION, AND EVIDENTLY THERE IS A WORLD SHEEP PRODUCTION CYCLE FOR WOOL PRICES ALSO MOVE IN CYCLES. WE ARE NOW IN THE HIGH PRODUCTION LOW PRICE PHASE OF THE WOOL CYCLE



PRICES OF BEEF STEERS AT CHICAGO, 1890-1930

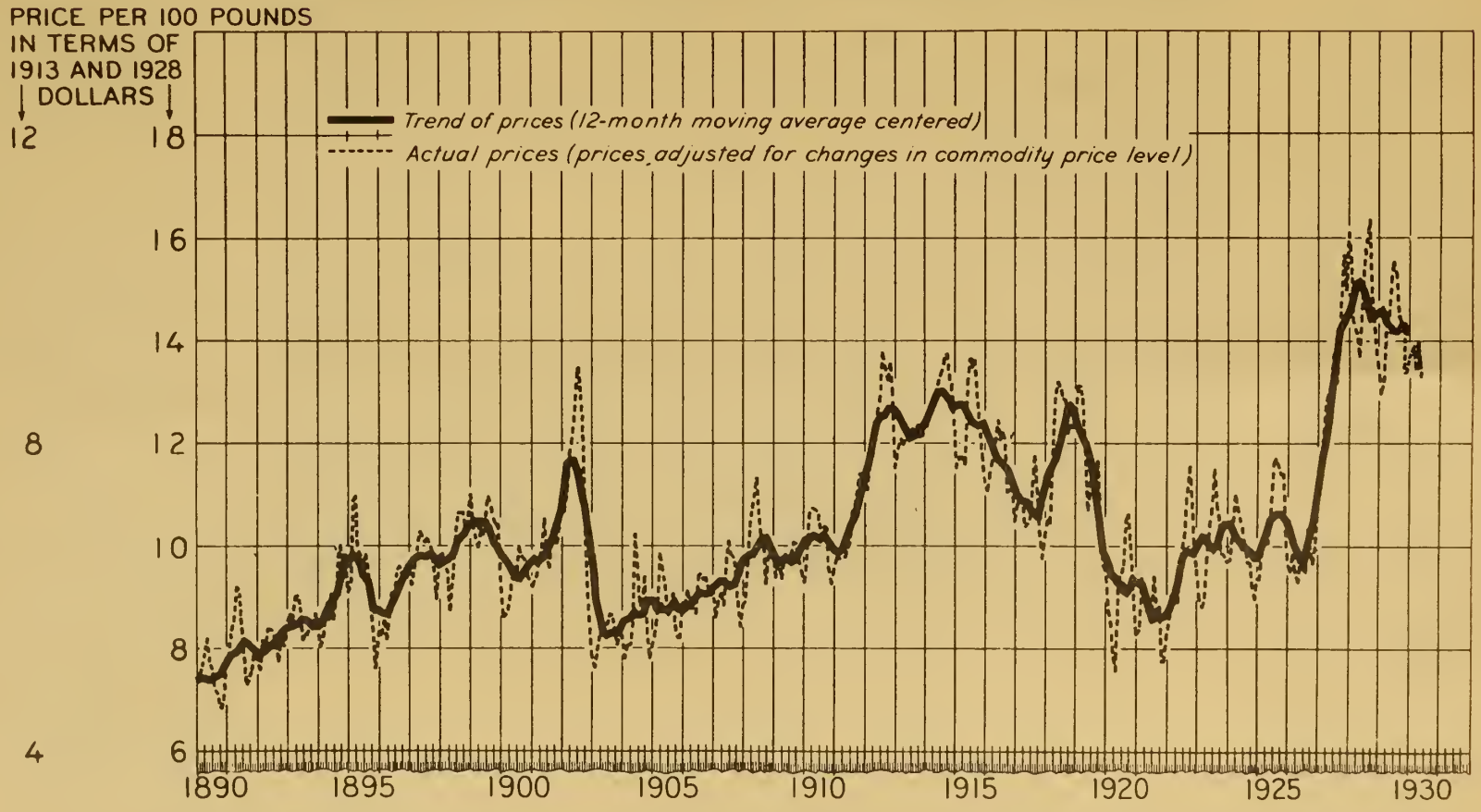


FIGURE 35 - CATTLE CYCLES ARE LONGER THAN HOG OR SHEEP CYCLES. THE CATTLE PRODUCTION AND PRICE CYCLE USUALLY RUNS ABOUT 14 TO 16 YEARS. WE ARE NOW IN THE LOW PRODUCTION HIGH PRICE PHASE OF THE CATTLE CYCLE AND APPARENTLY STARTING TO INCREASE PRODUCTION AND REDUCE PRICES

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